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THE SOMALI STATE AND FOREIGN AID

David Rawson

with

Mary Lou Bothwell, Tim McCoy and Elizabeth Walton



FOREIGN SERVICE INSTITUTE
US. DEPARTMENT OF STATE

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Preface

This study derives from a research project undertaken at the Department of State's Center for the Study of Foreign Affairs from 1991 to 1992. Patterns of state disintegration in Liberia, Sudan, Somalia, and Zaire suggested that useful lessons could be learned from a review of assistance efforts in embattled African states. Accordingly, as the Center's senior fellow for African affairs, I set out, with the assistance of two interns and a program assistant, to look at donor assistance in Somalia. The time frame covered 1978 through 1990, from the revival of Western assistance following the Ogaden War to Siyaad Barre's flight from Mogadishu.

We carried out this investigation of donor assistance and state disintegration as Central and Southern Somalia descended into political anarchy and economic chaos. Skirmishes between war lords and banditry by young gangs created background accompaniment to our study of an earlier era. As we consulted the documentary record and tried to understand the dynamics of the last decade of the Somali state, none of us anticipated the human suffering which that civil strife would engender nor the immense international rescue effort required to save harassed populations in Somalia's riverine areas.

Thus, that tragedy overshadowed the intended scope and purpose of this investigation into assistance program of the last decade. Indeed, social forces at work in such fratricide and anarchy may exhibit characteristics quite different from those of disintegrating state structures. There are lessons in this study but they could be tangential to the advisements which the current crisis demands.

Any review of Somali political and economic culture in the last decade necessarily draws on secondary sources. The Somali government, already the least literate of bureaucracies, has lost such government documents as existed in the chaos of civil war. This study has broadly consulted donor documents, especially World

Bank, International Monetary Fund, and U.S. Agency for International Development planning and program papers. Part of this discussion is illumined by personal experience and impressions gleaned in interviews. Two members of the research team served in Somalia during the high tide of donor assistance. A long list of diplomatic and development officials have generously given us their view of that period (see Appendix I.).

Many people have pushed this work along its way. Dennis Kux, Director of the Center for the Study of Foreign Affairs, along with his colleagues George Sherman and Fred Hill, encouraged the study, argued against pre-emptory conclusions, and assisted editorial restructuring. Carolyn Ayers and Sandra Rawson reviewed the initial drafts; Diane Bendahmane thoughtfully edited the final product. Their insightful suggestions have put the document in presentable form; such errors of fact or judgment as may be found herein are my own. My thanks goes as well to Randy Cheek, John McClelland and Anne Meagher-Cook for their help with format and graphics.

This study would not have been possible without the diligent work of Betsy Walton on U.S. assistance programs, of Mary Lou Bothwell on multilateral institutions, and Tim McCoy on statistical analysis. Their energetic and cooperative spirit made it a joy to be part of an enthusiastic research team. We all worked for Uncle Sam supporting the Center's continuing effort to illumine the horizons of policy for the foreign affairs community. This inquiry's key reflections and conclusions, however, remain my own and do not necessarily reflect the opinions of other team members or of the U.S. government.

David Rawson
Arlington, Virginia
April 1993

Key Dates in Somali History, 1887-1991

- 1887 British sign trade treaty with Somalis at Berbera.
- 1889 Italy signs treaties of protection with Sultans of Majeerteenia and Obbia.
- 1896 Emperor Menelik defeats the Italians at Adowa.
- 1897 Treaties between Ethiopia and France and between Great Britain and Italy delineate Somali territories.
- 1899 Holy war of Sayyid Mohamed Abdullah Hassan begins.
- 1920 British defeat Hassan and extend control south from the northern coast.
- 1935-36 Italy conquers Ethiopia.
- 1941 British liberate Ethiopia and take over Italian-administered territory in Somalia.
- 1950 U.N. trusteeship for Southern Somalia set up under Italian administration.
- 1956 First general elections in the South.
- 1958 First general elections in the North.
- 1960 Independence of British Somaliland — June 26; independence of the Trust Territory of Somalia — July 1; unification of the two countries to form the Somali Republic — July 1. Presidency of Aden Abdalla Osman begins.
- 1961 Referendum on unitary constitution.
- 1967 Presidency of Abdireshid Ali Shermake begins.

- 1969 Assassination of President Shermake — October 15; Army coup; Supreme Revolutionary Council headed by General Muhammed Siyaad Barre begins rule — October 21.
- 1972 Supreme Revolutionary Council announces adoption of Somali script in Latin characters — October.
- 1974 Saudis sponsor Somali membership in Arab League — February.
-Somalis sign Treaty of Friendship and Cooperation with Soviets — July.
- 1975 Supreme Revolutionary Council orders execution of ten sheikhs for opposing policy on sexual equality — July.
- 1976 Single-party state proclaimed under the banner of the Somali Revolutionary Socialist Party — July.
- 1977 Castro proposes "Socialist Union of the Horn of Africa" at meeting with Mengistu Haile Miriam of Ethiopia and Siyaad in Aden; Siyaad vociferously rejects proposal — March.
-Somali forces launch full-scale attack on the Ogaden — July.
-Siyaad visits Moscow, seeks withdrawal of Soviet support for Mengistu — August.
-Soviets halt arms deliveries to Somalia — September.
-German forces recapture hijacked Lufthansa aircraft which landed at Mogadishu airport — October.
-Somalia abrogates Treaty of Friendship and expels Soviet advisors — November.
- 1978 With Soviet/Cuban help, Ethiopian forces repulse Somalis and retake Jijiga; main body of Somali force retreats from Ogaden — March.
-After Siyaad's bloody suppression of the coup plot, Majeerteen officers form insurgent Somali Salvation Front (SSF, later SSDF) — April.
- 1979 National Assembly re-elects Siyaad for six-year term — December.

- 1980** The United States exchanges notes with Somali government on military facilities access — April.
- 1981** Somali National Movement (SNM) founded in London with mainly Northern Isaaq leadership — April.
- 1982** Behind SSDF insurgents, Ethiopian forces take Somali border towns of Balanbale and Goldogob — July.
- 1984** Peoples Assembly elections — December.
- 1986** Siyaad badly injured in automobile accident — May.
 -Having regained his health, Siyaad is re-elected president in Somalia's first direct presidential election — December.
- 1987** Lt. Gen. Muhammed Ali Samatar, demoted from first vice president and minister of defense, is given titular role as prime minister; Siyaad retains defense portfolio — February.
 -New cabinet appointments give weight of political power and financial patronage to Marehan and affiliated clans — December.
- 1988** Negotiations on peace settlement between Ethiopia and Somalia, begun in Djibouti March 22, end with signature in Mogadishu of Peace Accord — April 4.
 -Somali National Movement (SNM) insurgents cross over from Ethiopia into northern Somalia, capture Burao, and fight Somalia Army to deadlock in Hargeisa — May 21.
 -In a campaign of reprisal and indiscriminate bombardment, Somali Army gradually retakes Northern urban areas; 400,000 Somalis of Isaaq clan flee into Ethiopia — July to November.
 -U.N. High Commissioner for Refugees announces termination of its refugee support program in Somalia due to corruption and Somali military recruitment in refugee camps — November.

- 1989** Prime Minister Samatar goes on a good-will tour of Western capitals to shore up support for Siyaad's regime — January to February.
- Release of political prisoners and promise of constitutional reform bring hope of reconciliation — March.
 - Demonstrations in Mogadishu bring reprisals against Hawiye and Isaaq townsmen by Mogadishu's military commander and Siyaad's son, General Maslah; some 47 persons assassinated on Gezeira beach — July.
 - Former Minister of Defense Nur and former Minister of Interior Abdullah Ba'adle arrested in crackdown on Hawiye and Ogadeni leadership — July.
 - Hawiye officers mutiny at Galkayo; General Maslah moves to suppress mutiny razing Hawiye villages along the way — November; United Somali Congress (USC), a Hawiye-based insurgent movement, takes territory in Central Somalia — December.
- 1990** After two cabinet changes in two months, 114 clan elders and political moderates sign a Manifesto calling for formation of provisional government and a national conference of reconciliation; Manifesto leaders arrested — May.
- Siyaad's bodyguard fires on crowd at soccer match killing 70 people — July.
 - Three main opposition movements sign agreement defining defeat of Siyaad's regime as common objective — October.
 - Constitution proclaiming multiparty government takes effect without popular referendum — October.
 - Government troops arrest more from Manifesto Group, kill 50 demonstrators, and shell Hawiye compounds in Mogadishu — December 4.

-Urban masses rise in general melee and insurrections against Siyaad's forces — December 10 onwards.

1991 Expatriate diplomats and aid workers evacuated by helicopter from the American Embassy — January 5.

Somalia



Chapter 1

INTRODUCTION

In the early dawn of January 5, 1991, two CH-53 helicopters from the USS *Guam* and the USS *Trenton* dropped into the U.S. Embassy compound in Mogadishu, Somalia, carrying sixty marines to secure a perimeter already invested by looting Somali soldiers. On their return to the ships, the helicopters began ferrying out 281 expatriates who had taken refuge in the compound, including ten chiefs of diplomatic missions, various directors of assistance programs, and nearly all the diplomatic and development staff still remaining in Somalia. With uprisings in the streets of Mogadishu beginning December 30, the Somali state had finally collapsed. In this evacuation, donors who for over a decade had tried to assist that state were now fleeing its charred ruins.

Almost two years later on December 8, 1992, U.S. Marines waded onto the Mogadishu beach and into the kaleidoscope of a thronging press corps. U.S. forces had returned to Somalia, this time to free Mogadishu of marauding bandits so that food shipments could get safely through to refugee camps in the hinterland. Clan feuding had in two years destroyed the economic infrastructure and created political anarchy in central Somalia. In the hinterland, starving thousands gathered at relief camps waiting for food that could not be gotten out of the Mogadishu port. Efforts by the United Nations to mediate peace and restore order had been lackluster and ineffective. Armed gangs affiliated to rival Somali leaders made their living intimidating the population and stealing relief supplies. As pleas from harassed relief workers mounted, the United States agreed to carry out a humanitarian mission delivering relief foods but with a massive show of force that would cow bandits and create a secure arena for political negotiations.

The Somali State and Foreign Aid: Development and Disintegration

With anarchy in Somalia the stuff of daily headlines, one almost forgot that Somalia was once a leader in the nonaligned world, envied for its progressive Socialist policies and proudly hosting the 1974 Summit of the Organization of African Unity. It was hard to conceive that Somalia once had fielded one of Africa's best-equipped armies and had almost succeeded in conquering the western third of Ethiopia in the Ogaden War. Even the 1980s, when donors had mounted ambitious development programs for the Somali state and tried to restructure its centrally controlled economy, had faded into memory.

What was the nature of this forgotten Somali state? Why had it disintegrated so completely? What, during its last decade, were that state's relations with the international donor community? Were donors aware of Somalia's intractable problems? Or had they unintentionally contributed to those problems? These are the questions this study will attempt to answer by tracing the evolution of the Somali state, characterizing the environment in which donors operated, and analyzing donors' strategies and programs, especially those of the United States. The study takes the perspective of the policy implementors and its aim is to seek lessons about donor interaction with Somalia's economic and political system that might be applied in other regions where difficult development issues are posed within weak or disintegrating state structures.

The lessons are necessarily drawn against the tragic background of mayhem and starvation which engulfed Somalia at the end of 1992. The dimensions of that tragedy stretch far beyond the conceptual limits of an investigation into assistance programs of the last decade. Indeed, the forces at work in the anarchy and fratricide of 1992 may be quite different from the ills of the disintegrating state. The real seeds of chaos may be found in the story of armed insurrection movements that emerged following Somalia's defeat in the Ogaden War of 1977-1978 and that reached their peak in the strife of 1991-1992. These insurgencies were only a subplot in the story of state structures and the donors that supported them.

The 1991-1992 crisis in Somalia, nonetheless, was rooted in the history of state formation and devolution in Somalia. Not the least of these historic sources was the continuing vision of a united nation, controlled from the center, transcending clan divisions, and finding its place as an autonomous (five-pointed) star in the international constellation. The war lords of Somalia fought for what Mohammed

Siyaad Barre once enjoyed—the power and perquisites that came with leadership of a nation state. What they lacked were the state institutions that generated that power and those perquisites, for the Somali nation state had disintegrated.

Projecting from the past onto the broken screen of the present can easily produce a distorted and false picture. However, a documentary review of political and developmental dynamics during the last ten years of Siyaad's reign may illumine the current chaos and, at the very least, show what pitfalls to avoid in building a new Somalia. One can learn from disasters as well as from successes.

Dilemmas of the State in Africa

While the human dimensions of the Somali tragedy touch the heart and stagger the imagination, it is no surprise to students of African politics that societal tides rip at the authority and structure of the state. The disenchantment of African societies with central governments has been documented since the 1970s.¹ Some scholars consider Africa's societal body to be strong but the controlling nerve and skeletal structure of its states to be weak. Numerous studies detail the capacity of African society to adjust to this weakness by disengaging from central state direction. Others find that a concentration of power at the center has led to a withering of the supportive limbs of civil society. For still others, the current state malady is but an expected incubatory stage in the developmental process of state formation and capitalist penetration. Yet other diagnosticians locate the problem not in the nature of state structures but in the (curable) condition of being overweight or bureaucratically bloated.²

Recent events in Africa no longer make us ponder, with Jackson and Rosberg, "Why Weak African States Persist."³ Instead, we find that sometimes they disintegrate. Somalia is one such state, though some commentators now question whether Somalia ever attained real statehood. Certainly, those who hold that the "state-making process" is incomplete in Third World "quasi states" would find much in Somalia's independent history to justify their thesis. Since 1960, Somalia's independent status has been as much confirmed by international convention as by the realities of internal control. The state system there depended on international financing, and an international security net of relief food undergirded its population's subsistence. In the weakness of Somali bureaucratic mechanisms,

the unconstrained power of its military, and its disregard for the rights of citizenry, the Somali state and its leaders often illustrated the image evoked by Jackson of "statesmen civil (and dependent) in their international relations but abusive and coercive in their domestic conduct."⁴

Yet, the optic of such perceptions is distorted. Not even the most developed Western states fully enjoy the presumed attributes of positive sovereignty, "able and responsive rulers and productive and allegiant citizens." Contrary to Jackson's claim, many states of the Third World do possess the "wherewithal to provide political goods for [their] citizens."⁵ Certainly the Somalis, already a nation, in 1960 organized a state and government that asserted supremacy over all other authorities and peoples within its territory and independence of authorities outside it.⁶ Even Jackson lists Somalia as an example of the "nation-state" in Africa. Commentators who now characterize chaos on the Horn as "typically Somali" should not, because of the current disintegration, deprive the Somalis of their historic achievement. Although its exercise of authority and independence vacillated, Somalia did function as a state for over three decades.

Somalia in Global Perspective

A sense of uniqueness strikes the outsider, when he first lands in Somalia, and persists the longer he stays, a feeling that these proud people who have lived so long in this haunting, inhospitable land are somehow different from people elsewhere. The very habitat of Somalia and the structure of its society make this country seem unique on Africa's continent. But is this the case? Is Somalia *sui generis*, and are lessons (if any) from its tragic history inapplicable elsewhere?⁷

While Somalia is a fascinating place and its people distinctive, the Somali nation shares with other Third World countries a peculiar nexus between state and society, as well as a particular dependency on the outside world. When we strip away the exotica and focus on the process of state creation, we find that Somalis, like Africans everywhere, inherited from colonial powers a public structure (the post-colonial state) and transformed it into an instrument of authority across the territory they administered. Somalia entered into a series of relations with external powers in order to gain international position and significance. The developed world in turn carried out in Somalia, and elsewhere in Africa, economic

development and military assistance policies. The impact of those policies on a particular state structure carries lessons, at least for the developers and the strategists. Somalia is distinctive but not unique.

That being true, was Somalia then nothing more than another pawn of Cold War competition for power and position? The American and Soviet powers certainly were present in many ways, at different times, on both sides of the Ethiopian/Somali divide.⁸ Furthermore, the disintegration of both these states seems to coincide with the declining interest of the superpowers. Decisions in Washington and Moscow regarding military or economic assistance clearly played a critical role in the turns of history during the last three decades. However, in the early 1980s, the United States pursued ambiguously its security relationship with Somalia, and, during the last years of Siyaad's rule, cooperated with the Soviet Union on policies and initiatives in the Horn. The superpowers came to define their objectives in remarkably similar ways: regional stability, preservation of national boundaries, and more responsive governments. Rather than superpower rivalry, it was primarily the internal dynamic of elite competition, the militarization of state institutions, and the growing autocracy of Siyaad's regime that set the course of the Somali state. The United States' confrontation with the Soviet Union was not the controlling factor in the regress of the Somali state.

In sum, this study's perspective on the Somali state is as follows: the Somali state was historically grounded in Somali myth and communal experience, including the divisive experience of colonial administration; the state's central dynamic, as in many post-colonial states, was energized by elite politics and the push toward autocracy; and the high tide of the state was that period of its largest popular acceptance and most effective administrative reach, probably in 1974.

These perspectives on the Somali state are not in contradiction with the observation that the state was also the product of modernity, confirmed by international convention, and influenced by external factors; namely, regional competition, superpower rivalry, or donor demands, or the observation that the state's coercive power grew even as its popular acceptance diminished. However one looks at it, three things are clear: there was in Somalia a political entity that we may accurately term a state; that state had a history and an organizational reach that surpassed Siyaad's patrimonial domain; and that state eventually ceased to exist, despite the best efforts of the donor community first to reinforce and then to restructure state institutions.

Notes for Chapter One

¹ In his path-breaking work, Robert Bates showed how African peasants have escaped the efforts of central governments to tax their production. Goran Hyden, in the early 1970s, watched peasant resistance to *ujaama* in Tanzania and launched his pioneering studies on failures of governance in Africa. Janet McGaffey plotted the disengagement of traders and merchants from the formal economy in Zaire and the resistance of petty producers to domination and exploitation by the state-based ruling class. Naomi Chazan detailed the rise of local political arrangements in Ghana as state legitimacy withered and the central state receded. See Robert H. Bates, *Markets and States in Tropical Africa: The Political Basis of Agricultural Policies* (Berkeley: University of California Press, 1981); Goran Hyden, *Beyond Ujaama in Tanzania: Underdevelopment and an Uncaptured Peasantry* (Berkeley: University of California Press, 1980); Janet McGaffey, *Entrepreneurs and Parasites: the Struggle for Indigenous Capitalism in Zaire* (New York: Cambridge University Press, 1987); and Naomi Chazan, *An Anatomy of Ghanaian Politics: Managing Political Recession, 1979-1982* (Boulder: Westview Press, 1983).

² See Joel Migdal, *Strong Societies and Weak States* (Princeton: Princeton University Press, 1988); Naomi Chazan, "Patterns of State-Society Incorporation and Disengagement in Africa," John A. Ayoade, "States Without Citizens," and Thomas M. Callaghy, "The State and the Development of Capitalism" in *The Precarious Balance*, ed., Donald Rothchild and Naomi Chazan (Boulder: Westview Press, 1988); Larry Diamond, "Swollen Bureaucracies," *Journal of Modern African Studies*, 25, 3 (November 1987); and Naomi Chazan, *An Anatomy of Ghanaian Politics*. A study of particular relevance to these considerations sees the state corpus levitated, or "suspended," between the pull of international financing and the tug of the populations it is supposed to govern. Abdi and A. I. Samatar, "The Material Roots of the Suspended African State: Arguments for Somalia," *Journal of Modern African Studies*, 25, 4 (December 1987).

³ Robert H. Jackson and Carl G. Rosberg, "Why Weak African States Persist" in *The State and Development in the Third World*, ed., Athul Kohli (Princeton: Princeton University Press, 1986), 259-282.

⁴ Robert Jackson, *Quasi-states: Sovereignty, International Relations and the Third World* (New York: Cambridge University Press, 1990), 154.

⁵ Jackson, 29.

⁶ Hedley Bull, *The Anarchical Society* (New York: Columbia University Press, 1977) 7.

⁷ The notion that Somalia is *sui generis* originated with Richard Burton, *First Footsteps in East Africa*, ed., Gordon Waterfield (London: Routledge & Kegan Paul, 1966) for example, Chapter IV "The Somali, Their Origin, and Peculiarities," and carries on through Gerald Hanley, *Warriors and Strangers*, (London: Hamish Hamilton, 1971), among other travel commentaries.

⁸ Ahmed Samatar, *Socialist Somalia* (London: Zed Books, 1988), 128, 136, and 154.

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Chapter 2

DEMOCRACY, SOCIALISM, AND DECLINE

Independence came to part of the Somali homeland in 1960. British Somaliland became an independent state on June 26; within a week, the Trust Territory of Somalia won independence from Italy. As these two ex-dependencies joined together on July 1, 1960, they were among the rare states in modern African history to erase colonial boundaries in order to achieve a larger national identity. States in the international community quickly recognized the independence of the new Somali Republic. But other parts of the traditional Somali domain remained under alien jurisdiction. In the North, the Issa Clan spread over into French Somaliland. The Southern Ogadenis found themselves under the control of the British authorities in Kenya, while the Ogaden and Haud traditional lands had been handed back to Ethiopia in 1948. Independent Somalia did not encompass the entire Somali nation; therein lay the seeds of its tragic history.

For those parts that had been set free of colonial domination, however, independence was not a trivial event.¹ The voice that independence gave to Somali national aspirations brought legitimacy to inherited colonial institutions of governance. The new republic's authority was quickly accepted across the land; its sovereign jurisdiction was affirmed by the international community. The new state's police and the military were adequately organized and endowed with sufficiently superior arms to assert coercive hegemony within the country. Thus, the new Somali state carried out the essential functions of statehood and met the standards of recognition and effectiveness by which states are judged under international law.²

In terms of structure, the First Somali Republic was a parliamentary democracy with political control resting in the National Assembly bringing together 123 members from the northern and southern territorial assemblies. The assembly chose a president, who, in turn, designated a prime minister responsible to the assembly. The constitution also established an independent judiciary which administered a mix of English, Italian, and Sharia law.³

Still, the Somali state was more than a political entity constructed according to the designs of British and Italian constitutional lawyers and granted sovereignty by the society of states. Underlying the structure of this post-colonial state were the foundational myths of Somali politics. What gave dynamism to that structure was the energetic quest of Somali elites for national unity and group identity. For, as Bayart has noted, "an apparatus of control and domination...is not just what the holder of power or imperium wishes for it, but what the actors, even if they are subordinates, make of it."⁴

Evolution of a State

National unity. The concept of Somali unity—pan-Somalism—is not just a creation of modern politics, an irredentist claim of the new Somali state, but rather a conception based on the Somalis' belief in a common ancestry and shared history. That Somalis are the sons of Samaal, who in turn descended from the line of Mohamed through Abu Taalib, is as close to a primordial myth as one can find in Somali culture. Historically, the sons of Samaal, though speaking the same language and practicing the same pastoral ethos, divided into competing clan groups who worked out patterns of coexistence and survival on Africa's inhospitable Horn. The major Somali clans included the Dir and the Issaqs in the Northwest, the Daarod in the Northeast and Southwest and the Hawiye in the Center and South of Somalia. Some sub-clans of the Daarod, the Warsangali and Dulbahante, inhabited the eastern edge of what became British Somaliland. Other Daarod, like the Majeerteen living on the Northeast coast and the Marehan grazing their herds in the Southwest, came under Italian tutelage. The largest Daarod clan, the Ogadeni, roamed to the West, mainly in territory claimed by Ethiopia and Kenya. In the valleys of the Shabelli and Juba Rivers, the Digil and Rahawayn clans, along with agriculturalists of mixed Bantu blood, tilled gardens and, later, worked in Italian plantations.

In the colonial era, arbitrary decision thus divided the Somali clans among three colonial cultures (British, French, and Italian) and between the hinterlands of Ethiopia and Kenya.⁵ Leaders of

independent Somalia sought to restore the unity of their nation in terms drawn from the idiom of modern statecraft. Unity was to be found in expanded state domain over Somali homelands; it was to be expressed in modern political symbols like a flag whose five-pointed star called to mind the five Somali territories, or a constitution that gave all ethnic Somalis the right to citizenship. Of the many possible paths to closer affinity among Somali peoples, leaders of the new Somali state chose the most difficult—asserting territorial jurisdiction over lands which Kenya, Ethiopia, and France claimed as their own.⁶

Group identity. The search for national unity, actualized in control of power through the central state, went in tandem with the search for meaningful group identity and recognition within the new political order.⁷ The early days of independence were, as a consequence, characterized by almost obsessive preoccupation with balancing out regional and clan interests within the National Assembly, between the offices of president and prime minister, and through distribution of ministerial and administrative positions. This was politics of "who gets what, when, and how." Traditionally, belonging to Somali society meant belonging to a kinship group. Personal honor was found in bringing glory to the clan.⁸ Somalia was, as well, an egalitarian nation, where each son of Samaal felt himself equal to all, with the right to speak his mind and be heard in all communal matters, and where "democratic participation" went "hand in hand with a deep belief in individual freedom."⁹ Nonetheless, even clan-based traditional societies have hierarchies: leading families, clan elders, and, in Islamic areas like Somalia, families that take decisions in religious matters. Egalitarianism as well as loyalty to communal hierarchies were embedded in Somali political values.

In the new Somali state, only loyalty to hierarchy seemed to survive. The ethics of pastoral democracy gave way to elite politics. Mogadishu, capital of the new state, turned the traditional order on its head. In the maelstrom of its politics, individuals competed for status and privilege within state structures; the individual would be elevated and the clan become dependent on his reflected glory. The search for group identity and recognition (communal politics) became a quest for personal aggrandizement.

Formation of an elite. Deputies, ministers, and administrators—elite knights of the bureaucratic roundtable—led the quest for unity and identity. Some of this elite in Mogadishu was drawn from traditional leadership groups. Others were party leaders who gained political influence through the independence struggle. Some were young intellectuals who possessed the skills required to operate the machinery of the modern state. At times, traditional authority,

pre-independence party leadership, and intellectual credentials were found in the same person.¹⁰ Then again, persons who were traditionally limited by caste could use intelligence and evident bureaucratic skills to accede to positions of influence.

However they got there, the holders of position in the new state were determined to remain. State hierarchy gave new meaning to social status; influence was wielded through shifting coalitions of the most unlikely partners. Ties to outlying areas became but chips in a bargaining game designed to keep this elite class close to the power and perks of the central government. It was in Somalia as Morice had noted regarding the elite class in Angola, "This class...is defined above all else as the sum of individual strategies."¹¹ Members of the capital city elite claimed to represent interests of their respective social groups but used the interests and economic power of their groups to enhance their own assimilation and positioning within the new structures of state. Those structures expanded the personnel infrastructure for governance and development and became, in Sklar's terms, "a veritable forcing house of class formation."¹²

The First Somali Republic offered not so much a democratic program for meeting people's needs but an assembly for debate.¹³ Power rested with the National Assembly, which honed to a fine edge the Somali art of discussion and debate but did little to push forward any agenda of modernization or development in the rural areas which the assembly, in principle, represented. As alliances among group leaders shifted, politics in Mogadishu became grid-locked. As if to make up for its lack of a domestic agenda, the young state heightened the irredentist rhetoric of its ethnic claims and sponsored sporadic, undeclared war with Kenya and Ethiopia. Instead of achieving the goal of unity, however, the Somali state became increasingly divided among group and personal interests. Some sixty-one parties contested the 1968 elections. The assassination of President Ali Shermaake on October 15, 1969 precipitated a political crisis. The assembly nearly fell apart in its effort to designate a successor. On October 21, Radio Mogadishu announced, to the "great excitement and relief" of Somalia's citizens, that Somalia's armed forces had seized power, setting the stage for an alternate strategy in state consolidation.¹⁴

What Siyaad Wrought

It is not the purpose here to detail events which brought down the First Republic and installed army chief Mohammad Siyaad Barre and his Supreme Revolutionary Council (SRC) as rulers in

Somalia. More pertinent to this study is an understanding of what Siyaad and his Second Republic brought to the formation of Somali state structures and to the dynamics of its inter-state relations. The contributions of the Second Republic fall into three categories: state ideology, international stature, and national mobilization.

State ideology. Other than its irredentist dream, the First Republic lacked any overarching ideal of what Somalia should become. By contrast, the SRC—while suspending the constitution, closing the National Assembly, outlawing political parties, and abolishing the Supreme Court—outlined a vision for Somalia's future and an agenda for action: the elimination of corruption and tribal nepotism and the re-establishment of a just and honorable society in which attention would be given to real economic and social betterment for all.¹⁵

Technical competence rather than regional balance became the criterion for appointment to the new Executive Secretariats which the SRC established to direct the administration toward its objectives. These newly appointed technocrats, sometimes civilian but often military, set about revitalizing Somalia's government, economy, and social services. A name for this social agenda was readily at hand—scientific socialism. This doctrine (interpreted in Somali as wealth-sharing based on wisdom) was linked to the traditional ideals of unity, self-reliance, and self-help.¹⁶ Armed with socialist doctrine, Siyaad expanded state competences and structures, thus increasing popular expectations of the state even as he heightened its coercive capacity.

International stature. In the latter years of the First Republic, the Somali state had become internationally isolated as it sought to unite Somali homelands under its jurisdiction. Somalia was in undeclared war over the Northern Frontier District in Kenya and the Ogaden in Ethiopia. Both leaders within the African community of states, Kenya and Ethiopia mobilized opinion against Somalia's bellicosity. The more accommodating negotiating stance of the government of Prime Minister Mohammad Egal failed to elicit the sympathy of the world community or African states for Somalia, since Egal still held to the dream of a "greater Somalia."¹⁷

Siyaad changed the approach, concentrating on building bilateral ties with African and Arab states and putting Somalia solidly behind the nonaligned agenda. In 1973-1974, Siyaad was named chairman of the Organization of African Unity (OAU). He traveled widely across the continent touting the accomplishments of Somalia's revolution. Somalia hosted both the OAU Summit and the Pan-African games. Thus, Somalia became a regional power,

strengthening its ties with Arab nations (especially those with a radical bent) and improving its relations with neighboring African states. At the same time, Somalia nurtured its friendship with the Soviet Union and drew on Soviet resources to build up one of the best equipped armies on the continent. With the signing of a Treaty of Friendship and Cooperation with Moscow in 1974, the Somali state certified its position in the Soviet orbit.¹⁸

Mobilization and militarization. In programs to mobilize Somalis to achieve the goals of his socialist revolution, Siyaad Barre most clearly cut across the ingrained habits and traditions of Somali culture. His call was to untrammelled national unity; references to clan identity were outlawed. He pushed a nomadic society toward settled production in agriculture and processing industries. Ignoring the clan, age-group, and gender alignments of traditional society, the SRC made a teenage militia, the Victory Pioneers, the standard bearers of social activism and the guardians of socialist conformity. Especially in homes for poor or abandoned children (the Young Flowers Movement) notions of clan and custom were superseded by socialization into state doctrine. Praise ceremonies for Siyaad became the Young Flowers' artistic speciality.

To an extent unprecedented even in colonial times, the central government elaborated doctrines and launched programs that impinged on Somali daily life. In many ways, urban and agrarian Somalis were beneficiaries, and the existence of self-help programs to build urban public works, stabilize dunes, or elaborate "crash" farming schemes shows they were also willing participants. Nevertheless, despite the appeal of socialist slogans and initial public enthusiasm for its program, the SRC thought mobilization also required coercive means, in case elements of the population lagged. Intelligence bureaucracies grew within the police and the military. Overshadowing these was the National Security Service (NSS), a super service modelled on the KGB. Given the Somali love of liberty, nothing was more startling than the pervasive and oppressive scrutiny of security services in Siyaad's Somali. While the state's enthusiasm for other forms of social mobilization dwindled over time, the NSS and its subordinate services remained the most enduring institution of Siyaad's regime.¹⁹

Since independence, state structures that exercised effective authority across Somalia had been in place. In the First Republic, viewed even through the fog of parliamentary politics, those structures suggested patterns of action that were praetorian and predatory. Siyaad and the SRC broadened those structures to include institutions (militia, NSS, volunteer corps) that paralleled the previ-

ous civil and military bureaucracy. Schemes for popular mobilization created opportunities for further military direction of government efforts. The 1969 coup was, in its essence, a military takeover of Somalia's systems of governance. Over time, military (or ex-military) officers co-opted top positions in the regional and central administration and most ministerial posts.

Ultimately, and under Soviet pressure, the military SRC was transformed into a Politburo and Central Committee within a single political party with offices in each region and district.²⁰ While its formation was intended to further extend and embed revolutionary zeal, the Party essentially gave Siyaad yet another channel for top-down patronage and positions that military officers could control. Surviving members of the SRC took over the Party's Politburo; retired generals dominated the Central Committee; and colonels and majors were assigned as regional Party secretaries. Military dominance of the state's bureaucracy and political structure proceeded apace even as Somali leadership switched patrons and sought new sources of military assistance.

Siyaad's Switch

The years 1974-1976 may be considered the high tide of the Somali state system, though by 1974, popular support for revolutionary programs was slipping and the leadership had suffered three purges. Nevertheless, Somalia had attained international stature, and the institutions of the revolution had expanded to the far corners of the land. Elaboration of a national political party in 1976 was but a gloss on a text already inscribed, "Siyaad rules." Behind that rule and stature was an already repressive security establishment trained by East Bloc operatives and an army trained and equipped by one of the world's superpowers—the Soviet Union.

This was the state apparatus that pushed Siyaad steadily toward the national goal of liberating Somali homelands in Ethiopia: the Ogaden and the Haud. After Emperor Haile Selassie was deposed in 1974, the Somali government increased support for the Western Somali Liberation Front (WSLF). This guerrilla movement expanded its area of operation and reorganized its structure to permit coordination with the regular Somali army. Soon Somali regulars were resigning to join the WSLF ranks. Then in July 1977, thousands of regular Somali forces pushed across the border and by September moved into control of 90 percent of the area. That war turned the energies of the state and its peoples from the social aspect of state making, which had been Siyaad's innovative focus, toward the

political lodestar of unifying national homelands. While its early successes brought ecstasy, the war's ultimate failure and the retreat of the Somali forces in March 1978 destroyed Somalia's national vision. Furthermore, the war failed to deepen the state's capacity to mobilize its people or galvanize their resources to achieve collective goals.²¹ Rather, having accumulated a certain amount of materiel, expertise, international prestige, and popular support, Siyaad's regime spent it all on a mad dash into the Ogaden.

On the road to Ogaden, Siyaad lost the international buttress of his regime; the Soviets switched their assistance to the Ethiopian side. From the Somali perspective, of course, it was Siyaad who got rid of the Soviets after he discovered, on his November 1977 trip to Moscow, that the Soviets would not reopen the arms pipeline to Somalia that they had closed one month earlier. Siyaad renounced the Treaty of Friendship, broke diplomatic relations with the Soviet friend Cuba, terminated Soviet use of naval and air facilities at the northern port of Berbera, reduced the Soviet Embassy to minimal size, and ordered Soviet advisors out of the country in seven days.²² In the decision first to go to war and then to switch from East to West, Siyaad's personality was to dominate the direction of Somalia's political future. Although his advisors urged him in many directions, Siyaad's hand at the tiller set the Somali state's course in this stormy weather. In choosing his course, Siyaad twice misjudged the international environment.

The Soviets change partners. Initially, Siyaad erroneously believed that he could carry out his war of national liberation without losing Soviet support. The Soviets certainly knew who Somalia's enemies were and against whom they were arming the Somali military. Soviet maps at the Somali military academy were marked "Red Force/Blue Force" in the customary military manner, but there was no mistaking who those forces were or which territory they were contesting. The Soviets designed and taught military tactics with Ethiopia as the principal target. Further, the Soviet Union had sunk an enormous investment in Somalia, not only by providing military equipment and naval and air facilities at Berbera, which included a big regional hospital for Soviet armed forces and fishing fleets, but also by establishing meat and fish factories that supplied the Soviet domestic market. Over 3,000 advisors (not to mention the East Bloc and Cuban cohorts) with open access to senior levels of the Somali government, kept these myriad operations going.²³ It may well have seemed unlikely that the Soviets would intervene to upset Siyaad's plans.

Why did Moscow, in fact, risk its proconsular position and a tremendous investment in strategic assets in Somalia for an untested, unstable position in Ethiopia? In retrospect several reasons

have been advanced. Ethiopia was bigger and more significant geopolitically. The Marxism of Ethiopia's President Mengistu Haile Miriam seemed more pristine—not tainted by Islam as Siyaad's was.²⁴ European powers (the Soviet Union not excepted) favored the highlands for strategic and aesthetic reasons. (The Somalis claimed that the Europeans—Italians, Englishmen, and Russians—and even the Americans always pined for the green hills of Ethiopia as they sat on Somalia's sandy shores.) Finally, Soviet ideology simply could not countenance a war of national consolidation, even in a minor client state. The Ethiopian imperial model fit Soviet principles of state better than Somali irredentism. Thus, instead of holding a neutral position in what could have been a localized conflict, the Soviets opted to support Ethiopia with a massive arms lift, Cuban troops, and Soviet advisors (who took Somalia's battle plans to Ethiopia).

Siyaad's second miscalculation was that he could quickly induce the West to replace the Soviets as Somalia's patron. He had good reasons for that hope. The events in the Horn presented the Carter Administration with a major opportunity to prove its foreign policy resolve. President Jimmy Carter desperately wanted to turn this geopolitical shift to U.S. advantage. In April 1977, he was overheard telling Vice President Walter Mondale, who advocated U.S.-Somali rapprochement, "Tell Cy [Cyrus Vance] and Zbig [Brzezinski] that I want them to move in every possible way to get Somalia to be our friend."²⁵ (Cyrus Vance was secretary of state and Zbigniew Brzezinski was national security advisor.) Through the private channel of Siyaad's personal physician, Carter offered the secret, vague, and easily misinterpreted promise that if Somalia would renounce its territorial claims to Northeast Kenya and Djibouti, the United States would consider sympathetically Somalia's legitimate defense needs. This was reinforced by a promise from Carter to the Somali ambassador on June 16 that the United States would "encourage its allies to help Somalia maintain its defensive strength." On July 26, the secretary of state announced the President's decision to supply Somalia with defensive arms.²⁶

Desperate to launch his bid for the Ogaden, Siyaad chose to credit the assurances and the meaning of "defensive arms" for more than they were worth. In mid-July, regular Somali forces entered the Ogaden to support the war already launched by Somali insurgents. When their presence was discovered by Western observers in August, the United States withdrew its promise of arms. But the issue was far from settled within the Carter Administration. The State Department and powerful political figures in the Administration like U.N. Ambassador Andrew Young felt that negotiation,

restraint, and sensitivity to African nationalism would solve this local conflict.²⁷ Secretary of State Vance had posited as a cardinal policy assumption that Africa was unique and that success there depended on "U.S. ability to help Africans resolve their disputes."²⁸ The State Department felt that the way to manage the Ogaden crisis was to take an "interested" but neutral stance and embargo arms shipments to either party in this local conflict. That remained U.S. policy until Siyaad announced on March 8, 1978, his intention to withdraw from the Ogaden.

Ten days later, Assistant Secretary of State Richard Moose arrived in Mogadishu to explore the possibility of U.S. military assistance to Somalia. However, Siyaad was not able to give the assurances Moose needed regarding Somali intentions in the Ogaden; all Moose then could offer was a \$7 million economic assistance agreement.²⁹ When the State Department heard that some Somali regulars might still be in the Ogaden, it put the arms-to-Somalia question on hold.

If patience and "localism" reigned in the State Department, however, the imperatives of global confrontation loomed at the National Security Council (NSC). In January 1979, the Shah of Iran fell; in November, Iranian zealots stormed the U.S. Embassy and took American hostages; and, at about the same time, the Soviets reinforced their position on the Gulf of Aden with military construction on Dahlak and Socotra Islands. At the NSC, Brzezinski, always impatient with the State Department's low profile approach to the Ogaden crisis, perceived a Soviet threat to an "arc of instability" reaching from the Persian Gulf to the coast of Somalia.³⁰

To counter this threat, the Carter Administration designed its Southwest Asian Strategy and the Rapid Deployment Force. At a December 4, 1979, meeting of the NSC, President Carter decided to seek military facilities for this force in Kenya, Oman, and Somalia.³¹ Global issues had finally given Siyaad the Western attention he coveted. But negotiations for the facilities dragged on for months. Ever the camel traders, the Somalis asked for an exorbitant \$1 billion arms deal. Washington had planned only a \$100 million annual budget outlay for all three countries. Somalia was the last of the three to sign on, accepting the promise of increased economic assistance and some vague assurances of military assistance up to \$40 million annually.

Certainly Siyaad had vastly overestimated the strategic importance of Somalia to the West; he also had no qualms about becoming part of U.S. military contingency planning. These attitudes stayed with him to the end of his regime. In his view, he gave the West an open door. To the last, he solicited a larger American military

presence in Somalia and tried to convince the United States of the utility of a base at Susciuban. He volunteered the entire Ras Hafun Peninsula as a free-fire zone for amphibious training and welcomed U.S. military construction at facilities in Berbera and Mogadishu. Among the client states of the U.S. Central Command, Somalia was by far the most accommodating to exercises of various kinds. Yet, Somali expectations bore little relation to the realities of the strategic market place, even in a Shah-less world. Paul Henze, an NSC specialist on the Horn in the Carter Administration, reports that NSC visitors to Somalia in the late 1970s found Siyaad living in "an unreal world."³² His expectations could not help but be dashed by the realities of the world scene.

Yet, Siyaad persisted and endured. Clearly, he needed succor in those dark days of defeat in the Ogaden; the bail-out he received from conservative Arab states may have saved his regime. Military assistance from the West was inordinately slow in coming, but what Siyaad really needed as he slowly pulled back from his Ogaden dream was the support of full-fledged and friendly relations. He sought from relations with the West, especially with the United States, the same thing he had found in the Treaty of Friendship with the Soviets: an identity as a leader and a place in the international order. In terms of international politics, the switch to the West was for Siyaad both necessary and purposeful.

Holding on to socialism. Even though he switched international patrons, Siyaad paradoxically still considered himself a socialist. That had more to do with domestic purpose than with international partnership. A large number of Somalis were uncomfortable about the close association with the Soviet Union; many among the elite were culturally more at home with Western partners, whether British or Italian. While the Americans were an unknown quantity, the United States was admired for its spirit and technical expertise. The staff of the U.S. Agency for International Development (A.I.D.) and Peace Corps volunteers in the 1960s had left an impression of personableness and competence; there was something about American informality and pioneering spirit that found resonance among Somalia's "urban nomads." But none of this moved Siyaad and those closest to him politically. They were suspicious of the British and, by extension, of the Americans. The radicals among Siyaad's clique saw American power as a threat, *per se*, to Third World citizens everywhere. They considered the Peace Corps a menace, kicked it out in 1969, and never asked it back. Little in Siyaad's style of governance (or oppression) fit in with American values.

What really mattered to Siyaad and ultimately to all Somalis, even the most cosmopolitan and urbane, was autonomy. Under the First Republic, modern Somali leaders sought to preserve individual and group autonomy through parliamentary democracy. When that effort stalled, Siyaad's "revolutionaries" proposed "scientific socialism," which, translated into a Somali equivalent, connoted "growing up" or "standing up." As Laitin has recorded, "scientific socialism" in the Somali language loses formal precision and becomes a poetic play on words.³³ By using Somali words which evoked self-sufficiency and autonomy to signify socialism, Siyaad touched a resounding chord in Somali culture.

But scientific socialism was more than symbolic language for Somalis. It had its framings and uses in the larger universe as well. Jowitt has pointed out how adoption of scientific socialism as an ideology permitted African leaders to establish "an intermediate domestic and international position—to avoid hard...choices of international alignment and domestic political organization."³⁴ Adopting scientific socialism allowed a leader to say, "I'll do it my way," without ever delimiting what that meant internationally or politically. It was not so much a plan of political action as a means of self-identification. As Siyaad explained it, "to break the shackles of colonial and neo-colonial bondage is to seek self-determination and legitimate national unity, [and] to reject subservience to any nation."³⁵

Scientific socialism was thus, in large part, negatively defined as "freedom from" not "freedom to;" it had the function of political avoidance, with political autonomy and economic autarky as goals. During this critical switch to the West, the question was what Siyaad intended by scientific socialism. There are three conflicting points of view on this: that Siyaad used scientific socialism cynically to enhance his power, that he was knowingly committed to a socialist ideology, or, that he talked of socialism ignorantly without any sense of its portents.

Evidence suggests that Siyaad did reflect on the meaning of socialism for his regime. He was careful to insist on its scientific—that is, its universal, replicable character—and to reject the qualifier "African." At the same time, Siyaad deliberately chose not to call his revolution "Marxist-Leninist" and would not accept the competence of Soviet socialists to comment on Somalia's experience. "Somali problems," he said, "must be put in an African context."³⁶ Siyaad saw in socialism ("standing up") a vision of what the Somali nation could become—hence, initially, the campaigns for literacy, helping drought-stricken nomads, or mobilizing youth to social ends—all counter-traditional, nation-building activities. In his

vision of the future, Siyaad was the most modern of Somalis. He wanted to transform Somali society into a modern nation state.

Somewhere along the road to the Ogaden, the vision of a larger national good based on universal aspirations became subordinate to Siyaad's personal ambition to remain in power. Why did Siyaad hold on so stubbornly through the disaster of the Ogaden War, the policy reversals of the post-war period, a car accident that took him to death's door, and finally through two years of civil war? It is difficult to explain the tenacity of Siyaad's grip; it may be that he was driven to become a national hero. He hoped for a new, unified Somali state transcending the factions of clan and leadership of the elders; he wanted to be remembered as the one who built that state. As the social vision of the revolution dimmed, as revolutionary counselors went to jail or were shunted into minor jobs, Siyaad remained, the putative nation-builder. In his view, welcoming the American military did nothing to harm that personal vision, but giving up on scientific socialism would have. Being ever a pragmatist in pursuit of his personal vision, Siyaad was willing to accommodate reform measures and give *ad hoc* liberties to the private sector, but he never changed the state ideology or the laws which sanctioned it. Scientific socialism would remain his last redoubt of autonomy in an interdependent world.

Zigzagging through the Eighties

Somalia emerged from the Ogaden War in 1978 with new international partners but the same president who retained his personal vision of what Somalia should become. Siyaad's hold on power was quickly challenged by officers from the Majeeteen clan who attempted a coup. Response to the aborted coup was quick and brutal: mass executions and decimation of the offenders' homelands. Other disgruntled officers, mostly Isaaq, took note and fled. From then on, Siyaad's survival took precedence over other issues of international stature or national mobilization. Personal ambition led Siyaad to maneuver political forces and structures so frequently as eventually to weaken the very framework of the Somali state.

Initially, it appeared that Siyaad opted for a return to the people. Expanding on his creation of a national political party in 1976, Siyaad offered Somalis a new constitution establishing "civilian rule," broadening personal liberties, but also buttressing the powers of the president. On August 25, 1979, the people "accepted" the constitution in a referendum which boasted one-third more "yes" votes than there were people of voting age in Somalia. Under the

new constitution, the reestablished parliament now called "the People's Assembly" unanimously elected Siyaad to another six-year term of office. Despite *ad hoc* policy concessions to economic reality and Western donors, Siyaad's public discourses held to the revolution's "clear program" based on the "eternal principles of socialism." By the time of that revolution's anniversary on October 25, 1980, however, Siyaad found that the "aims and objectives of the October Revolution are being distorted" and declared a state of emergency, reinstating rule by the SRC.³⁷

But Siyaad could not trust his hand-picked council. Within six months, he relieved ten of the seventeen-member council of their duties, including all members of the Politburo and the head of the National Assembly, A. A. Abokor. All his vice presidents were deprived of their titles. Then, in March 1982, Siyaad radically reshuffled the Party hierarchy as well as the government and disbanded the SRC. One year later on June 7, 1983, seven prominent politicians were arrested for a "nation-destroying scheme." The group included former Minister of Defense Omar Mohammed, Abokor, and Vice President of the National Assembly Omar Arteh Ghalib. Siyaad went back to emphasizing the Party as "pioneer of the people." However, within the year, he had again reshuffled military, Party, and government positions and, by December 2, 1984, had had his mandate extended to seven years, to be renewed by universal suffrage.³⁸

Throughout the decade, Siyaad juggled institutions and persons, playing off centers of power to keep himself in ascendancy. The SRC, the Party, the Peoples Assembly, the Politburo, and the government were each given their day in the sun, only to be quickly superseded by another political constellation. Siyaad's tactics not only neutralized political opponents, but also paralyzed government administration and undermined state institutions. Instead of working toward political objectives, mere survival became the goal within the Somali body politic.

Insurgency movements. Siyaad's maneuvers played as counterpoint to the clan insurgencies which erupted following the Ogaden War. The Somali Salvation Front (SSF), made up largely of Majeeteen military dissidents who fled into Ethiopia, used urban bombings and sporadic border attacks to destabilize Siyaad's regime. In April 1981, dissidents of the Isaaq Clan from the Northwest formed the Somali National Movement (SNM) in London. Both groups, operating along different parts of the Somali border from bases in Ethiopia, benefitted from Ethiopian arms and Libyan training. In October 1981, the SSF joined with a splinter group, the Somali

Democratic Front for the Liberation of Somalia, to form the Somali Salvation Democratic Front (SSDF). Emboldened by new unity and the promise of cooperation with the SNM, the SSDF spearheaded incursions into Somali territory that were backed by regular Ethiopian troops. After indecisive battles along the border and a very public airlift of arms from the United States, the dissidents and Ethiopians stopped their advance but held onto two border towns—Balambale and Galgodob.³⁹

That incursion marked the height of SSDF influence. Thereafter, mutiny in the ranks, division among leadership, and insouciant disregard for Ethiopian orders undercut SSDF operations. In spite of repeated pledges, amalgamation with the SNM never happened. By 1984, after a falling out among its leaders, and following cash grants from Siyaad to clan elders, SSDF cadre began to take advantage of Siyaad's offer of amnesty and joined the Somali army. Some returnees were attached directly to the command of the fellow Majeeteen clansman, Siyaad's son-in-law, General Mahammad Hersi "Morgan." With the SSDF no longer threatening, the southern and central border nearest Mogadishu was quiet.

Insurgency then shifted to the SNM area of operations on the northern frontier. Siyaad's response was to send as military governor to the Northwest a Marehan clansman, General Mahammad Ganni. In a reign of terror designed to root out all support for the SNM among the local population, Ganni earned the sobriquet, "the butcher of the North." In 1986, Ganni was sent to command training in the United States and Morgan replaced him as commander of the Hargeisa military district. Morgan's affable rule in the North seemed to relieve social tensions engendered by the harsh rule of his predecessor. (It was only later when full-fledged insurgency reached the North that Morgan reportedly drafted his famous letter outlining a strategy for systematic economic and political repression of the Isaaq Clan.) The SNM reduced its attacks on the North, making travel safe once again. Occasionally the SNM would bombard a border area, causing the Somali authorities to predict yet another imminent Ethiopian attack. Occasionally Somali troops under Morgan's command would, as well, pursue the SNM within Ethiopia, usually to little avail and often getting bushwhacked in the process. But across Somali territory, an uneasy calm prevailed.

Tussling with Ethiopia. In March 1987, after a series of bombardments elsewhere on the border, the SNM, backed by Ethiopian tank troops, attacked the Somali frontier at Bohotleh. Morgan's forces, using TOW anti-tank missiles and Jeep-mounted 108 MM recoilless rifles, stopped the attack, destroyed or captured several

tanks and killed or captured several dozen Ethiopian regulars in addition to SNM fighters. Both the United States and the Soviet Union protested the attack; President Mengistu explained it as an error by an overzealous field commander and pulled his troops back from the border area as a sign of good faith.

The border skirmish was Somalia's first victory over Ethiopian troops since the early 1960s; it certainly was the only one which Somalia could tout to the international press and the defense attaches of its supporting partners. It gave the Somali military command confidence that, though vastly outgunned and outmanned by Ethiopian forces along the frontier, they could defend their borders. It is not clear why the Ethiopians attacked in force at the border post. Nonetheless, they lost heavily and Mengistu learned the folly of adventurism. Further, by the spring of 1987, he had more pressing problems brewing in Eritrea and began moving troops there. The Soviets realized that, at a time when they were tiring of propping up Mengistu, he had almost drawn them into a major international incident. The United States had finally found a convincing formula for arms disbursement: the light defensive equipment which the Pentagon favored (rather than the heavy tanks and artillery which Siyaad coveted) won the day. The U.S. Office of Military Cooperation extended the TOW missile maintenance contract and ordered jeeps with recoilless rifles airlifted to Somalia to provide more border defense.

Peace at hand? Most important, the Bohotleh incident pushed Ethiopia and Somalia to accelerate their search for peace. Siyaad and Mengistu, who had met each other earlier at a regional summit in Djibouti January 18-19, 1986, set up commissions to work on a peace agreement. Foreign ministers and their delegations met three times to discuss possible agenda items, and security officers met occasionally along the border.⁶⁰ Once, when an Ethiopian minister showed up during a Party Congress, Siyaad ordered the Ethiopian flag hoisted in front of the Congress Hall. In the atmosphere of improved relations, the United Nations High Commissioner for Refugees began the laborious process of repatriating refugees from Somalia to Ethiopia. For every refugee officially carried across the border, another ten probably slipped across the frontier to a homeland made more secure by the dwindling presence of Ethiopian troops.

But real progress on peace negotiations came slowly. Donors urged that, as a humanitarian gesture, the two countries should begin repatriating prisoners of war who had been held for over ten years—an all-time record in the books of the International Commit-

tee of the Red Cross. Meanwhile the Italians and the French were separately pressing the two sides to reach accommodation. It was finally Djibouti's President Hasan Gouled, under French instigation, who brought the parties together and found a formula for a peace plan: exchange of prisoners, renewed diplomatic relations, pull-back of forces fifteen kilometers from the border, and cessation of hostile propaganda or sheltering of dissident forces. The question of border delimitation was reserved for later discussion. The two countries signed the peace accord on April 4, 1988, ending an eleven-year war.⁴¹ The regional accommodation which would let the concerned states concentrate their energies on economic growth and political development seemed finally at hand.

Political and economic advances? On the domestic political front, Siyaad seemed to be making progress as well. Recovering new vigor after a lengthy recuperation from an automobile accident, Siyaad mobilized the Party with meetings of the Politburo, the Executive Committee, and regional organs to prepare for the Third Party Congress on November 16, 1986. As expected, the Congress nominated Siyaad as Somalia's first directly elected president. It also diminished the powers of the Politburo and Executive Committee while electing a deputy secretary general to handle party affairs so Siyaad could concentrate on the work of the presidency.⁴² All this, according to a presidential political advisor, was to make government more responsive to the Party and the people it represented, ushering in a new era of political openness and accountability. Siyaad was overwhelmingly elected to a new presidential mandate, winning, as with the constitutional referendum, more votes than there were people of voting age in Somalia.

This apparent political progress had its parallel on the economic front. Somalia was following guidelines of the International Monetary Fund (IMF) and moving into a World Bank structural adjustment program under which foreign currency could be bought at market prices through an auction. Exports in bananas and other fruit, in fish and shellfish, and in livestock were growing. There was talk of refurbishing Mogadishu's seaside hotel and expanding the tourist trade. Convening in Paris in May 1987 for consultation, the donors noted a slight increase in the GNP and evident progress in the major areas of donor programming. The first chapter of the World Bank's planning paper for this Paris meeting was entitled, "The Promise of Somalia." Donors, holding onto grand dreams of progress, examined plans for a Badeera Kiver dam to irrigate vast areas in the Juba Valley and to provide electricity for the first stages of industrialization from Kismayo to Mogadishu.⁴³ The group of

major donors had grown to include Egypt, Saudi Arabia, Kuwait, Abu Dhabi, and Libya among Arab states; Italy, Great Britain, Germany, France, the United States, and Finland among Western countries; and Japan and China; with Sweden, Denmark, and Holland having smaller programs.

Encouraged by the good report that Somalia had received from the IMF and the World Bank, donors raised their contributions to Somalia's development to new levels. The Italian Emergency Fund Program was so generous that donors eliminated it from planning figures as an "extraordinary" contribution. The United States, while reducing its military assistance, maintained its project assistance under the Development Fund for Africa and provided extraordinary support to the World Bank programs through cash grants. Britain was skeptical of Somali progress but provided Somalia with \$7 million over two years in budgetary support and arranged symbolic visits by Princess Anne and Undersecretary for Foreign Affairs Linda Chalker in 1987. Germany's methodical two-year programming hit all-time highs in technical and financial assistance.

Other side of the coin. A darker side to this picture passed almost unperceived by donors. Even as Somalia reached the point of maximum cooperation with donors, it was in a restless state. Cooperation with donor guidelines was *ad hoc* and arbitrary at best. By September 1987, Somalia had fallen off the stabilization/structural adjustment wagon and attempted a return to fixed currencies and state controls. When that happened, the state discovered that the production of Somali shillings to provide counterpart currencies for donor inputs in commodities and foreign exchange had so pumped up the economy that inflation went through the roof. The demand for goods fueled by intakes from false invoicing, inflated contracts, and outright appropriation of donor funds sent the Somali economy into a deep trade and payments imbalance. Foreign exchange was gone within three months, and the accretion of debts, both public and commercial, left Somalia without credit. This time donors could not cover the gaps because there was no program certified by the IMF. A.I.D. had to put a hold on \$16 million of economic support funds, which had been destined to pay off Somalia's debt to the IMF. Getting into the development business meant pushing Somalia back on the IMF wagon; this became the major preoccupation of development strategy for all donors.

There were other troubles brewing. Vice President Sumantar's even-handed stewardship of power following Siyaad's automobile accident in May 1986 showed the Marehan how closely their for-

tunes were linked to the mortality of the president. The expanding influence of the Party after Siyaad returned to his duties in August, while portrayed as an extension of democracy, was in reality a means of increasing the Marehan grip on state power. Siyaad put Marehans in top leadership positions within the party, including the office of deputy secretary general. In reducing the status of the Politburo (whose members he once again deprived of vice presidential titles) Siyaad was challenging the power of other clans. Eight senior members of the Party's Executive Committee were dropped and the Marehan-dominated Party Secretariat took over many of the Executive Committee functions. To top off the process, Siyaad named a new government in January 1988. Many portfolios were changed and significantly Marehans were appointed to the top or number-two positions in all ministries where money was to be made. In sum, Siyaad's political reforms narrowed, rather than broadened, the political base and channeled power and its perquisites into the hands of his clan and cohort.⁴⁴

Finally, it became apparent that Siyaad was in deeper trouble in the provinces than even he realized; his security machinery had lost its ability to intimidate and coerce: skirmishes over land rights broke out between Hawiye and Majeeteen nomads; Islamic fundamentalists claiming SSDF affiliation briefly took over the coastal town of Los Anod; a dispute over a girl between Marehan and Ogadeni clansmen in the southern port Kismayo put the city under mob siege for a week. And in the afterglow of the Ethiopian peace accord in April 1988, when Siyaad went to the North to capitalize on the new tranquility, Isaaq youth booed and hurled stones at his procession. In the melee that followed, security forces killed several youths. Siyaad rushed back to Mogadishu to revise his plans for political consolidation in the North.

Disintegration of the Somali State

Siyaad never had the time to launch a new Northern strategy. In line with the April 1988 peace agreement, the Mengistu regime told SNM forces that they could no longer be harbored in Ethiopia, then gave them a golden handshake in the form of Land Cruisers, artillery, and automatic weapons. In mid-May, the SNM took their materiel into Somalia, launching a three-pronged attack against the Northwest. Bypassing Somali garrisons, which had pulled back 15 kilometers, the SNM overran Burao and almost took the largest city and former capital of British Somaliland—Hargeisa. Only the

airport, military headquarters, and some high ground in town remained in government hands. But the SNM was not able to push its initiative further. The port town of Berbera remained solidly in government hands as did towns outside Isaaq homelands like Erigavo and Boroma. Gradually Siyaad's forces regrouped and, with its air force, bombed SNM positions and the civilian areas of both towns. Eventually, after eight months of systematic repression and the destruction of Isaaq towns, the government pushed the SNM back into the hills; a fragile stalemate settled over the devastated North. Some 600,000 Isaaq refugees fled to Ethiopia.

Unrest in the North spread to other clan areas. When Minister of Defense Aden Nur, a Southern Ogadeni, was cashiered and jailed, his clansmen launched a rebellion in the South. Siyaad, constantly maneuvering and lacking patronage resources, began to lose the loyalties of marginal clans in the South and Northwest. Finally rebellion reached Mogadishu in June 1989. Youth of the local Hawiye Clan took to the streets in demonstrations against Siyaad's regime. Security forces fired on these demonstrators, killing several. Then, at night, Siyaad's personal guard, the "red hats," rounded up the supposed ring leaders and executed them on the suburban beach at Gezeira. This act marked the beginning of the end for Siyaad's regime. The Hawiye clan, which dominated central Somalia, heretofore had remained on the sidelines of clan conflict, but it now lined up against the president. Despite fevered political thrusts and parrying over the next eighteen months, Siyaad and his cohort were not able to fend off attacks against them or to halt the disintegration of the Somali state.

Dimensions of disintegration. It is not the purpose here to detail the death throes of Siyaad's regime.⁴⁵ Rather, this review has sought to describe the key factors in the evolution of the Somali state and to picture its decline after the Ogaden War so that readers can understand better the environment in which donors carried out their programs of development. One should not forget that, throughout the period of the 1980s, donor efforts to reform Somalia's economy took place amid internecine struggles of clan-based insurgencies seeking to topple Siyaad's regime. The peace agreement with Ethiopia in 1988 paradoxically brought those insurgencies home and initiated a civil war, the final episode in a decade-long process of state disintegration. Looking back on that decade and the thirty-year span of Somali independence, one asks again why things fell apart.

The history traced above reveals the three basic elements of the state's disintegration: elite politics, militarization, and the drive for

autocracy abetted by shifting power alignments within a narrowing patronage base. Elite politics, without any channeling through democratic competition or accountability to the public, became an obsessive struggle for status and aggrandizement through tenure in public office. Ambition was limited only by competition with other elites and by the whims of the president. Development programs became channels for winning the struggle for power and perquisites rather than investments in Somalia's economic future. The 1969 coup was, in essence, a military takeover of Somalia's systems of governance. The process of militarization proceeded apace in the 1970s and, ironically, accelerated after the Ogaden War. Officers returned home to nurse their wounded psyches on the benefits of public office. As will be demonstrated, an ineffective civil service hampered development in Somalia. It was military (or ex-military) officers who held the top civil service positions in the regional and central administration and most ministerial posts and top positions in the Party. They did not govern well, nor did they delegate effectively. Eventually the progressive militarization of government services brought about popular disenchantment with Siyaad's regime.

Although Siyaad never gave up his peculiar notion of scientific socialism, after the Ogaden War his personal struggle for ascendancy took precedence over his efforts to transform Somali society. Having lost a vision of where he was going, Siyaad tacked back and forth in bewildering shifts. He promoted ministers and sacked them, he jailed and then freed prominent politicians, he bestowed authority on the Party, the SRC, or the government in swiftly changing political alignments. His erratic behavior paralyzed the administration and undercut state institutions. Further, as the next chapter will detail, four times during the 1980s Somalia started an IMF reform program only to fall quickly away. That was a recipe for economic chaos. Siyaad's maneuvering to retain his power bankrupted his country and eventually brought down the Somali state.

Finally, in a period of growing economic uncertainty, Siyaad tightened the channels of patronage, increasingly favoring those of his family and the Marehan clan. Eventually, leaders of other clans who had collaborated with his regime saw no more benefit in continued loyalty. One by one, they turned against Siyaad. When the Hawiye (whose homelands surround the capital city) began to arm in 1989, mayhem came to Mogadishu. The death knell sounded, not only for Siyaad's foundering regime, but for the Somali state as well.

Notes for Chapter Two

- ¹ See Robert Jackson, *Quasi-states: Sovereignty, International Relations and the Third World* (New York: Cambridge University Press, 1990), 139.
- ² Robert H. Jackson and Carl G. Rosberg, "Why Weak African States Persist" in *The State and Development in the Third World*, ed., Athul Kohli (Princeton: Princeton University Press, 1986), 260-261.
- ³ David D. Laitin and Said S. Samatar, *Somalia: Nation in Search of a State* (Boulder: Westview Press, 1987), 71.
- ⁴ Jean-Francois Bayart, *L'état en Afrique* (Paris: Fayard, 1989), 61.
- ⁵ Somali Democratic Republic, *Go From My Country* (Mogadishu: Ministry of Foreign Affairs, 1978), 10-12. Bayart comments, "The production of contemporary political societies [in Africa] looks back on a definable area of historical congruences" (59); John Blane notes, "The one constant in Somali politics, since the boundaries were drawn . . . has been the demand for the 'reunification,' in one state, of the Somali peoples" (John Blane, *Africa Intractable* [Washington, DC: Foreign Service Institute, 1981], 16).
- ⁶ As Jackson points out, "Sovereignty attaches itself to territory" (190). However, Bayart claims that "the referent of power [in Africa] was less the control of territory than control of men" (58), and I. M. Lewis argues that, on the Horn, the notion of a territorially defined state "tipped the balance in favor of the pre-colonial Ethiopian model" (I. M. Lewis, *A Modern History of Somalia* [Boulder: Westview Press, 1988], 264).
- ⁷ Prof. Adam Hussein has creatively tapped Hegel's notion of the "quest for recognition" to explain the social dynamic of the Somali elite (Adam A. Hussein, "Rethinking Somali Politics," *Proceedings of the Sixth Michigan State University Conference on North East Africa*, April 23-25, 1992).
- ⁸ Laitin and Samatar, 31.
- ⁹ Laitin and Samatar, 42.
- ¹⁰ A political process which Bayart terms "the reciprocal assimilation of elites" (Chapter VI).
- ¹¹ A. Morice, "Commerce parallèle et troc à Luanda," *Politique africaine*, 17, 119, cited in Bayart, 225.
- ¹² Richard Sklar, "Developmental Democracy," *Comparative Studies in Society and History*, 28 (November 1987): 704.

¹³ That is, democracy defined in Dewey's terms, "The political means by which the interests of the governors are identified with those of the governed" (John Dewey, *The Public and Its Problems, An Essay in Political Inquiry* [Chicago: Gateway Books, 1946], 181).

¹⁴ Laitin and Samatar blame proportional voting as well as kinship affiliation for the splintering of political parties in 1969 (76).

¹⁵ Lewis, 207.

¹⁶ Lewis, 208-209.

¹⁷ Laitin and Samatar, 139.

¹⁸ A full study could be done on cultural transference during this period including such elements as East German surveillance techniques, Soviet military doctrine, or North Korean harmonics and choreography in the Young Flowers ceremonies.

¹⁹ Laitin and Samatar, 98.

²⁰ Lewis, 223.

²¹ The "Waranleh" warrior culture was pervasive in traditional Somali society. This ethos, however, is quite distinct from the military takeover of state administrative positions, a process which became more acute after the Ogaden War (Samatar, 152). The war essentially weakened Somali state infrastructure, thus contradicting Tilly's general thesis about war making and state making but confirming his secondary point that military organizations "acquired from outside" will overshadow other state organizations (Charles Tilly, "War Making and State Making as Organized Crime," in *Bringing the State Back In*, eds., Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol [Cambridge: Cambridge University Press, 1985], 169-191).

²² Jeffrey A. Lefebvre, *Arms for the Horn: U.S. Security Policy in Ethiopia and Somalia, 1953-1991* (Pittsburgh: University of Pittsburgh Press, 1991), 183.

²³ Lefebvre, 179.

²⁴ Lefebvre, 180.

²⁵ Lefebvre, 175.

²⁶ Lefebvre, 176.

²⁷ Lefebvre, 182.

- ²⁸ "Address by the Secretary of State Before the Annual Convention of the National Association of Colored People (NAACP), St. Louis, July 1, 1977," *American Foreign Policy 1977-1980*, Doc. 608 (Washington: U.S. Government Printing Office, 1981), 1131-1132.
- ²⁹ Lefebvre, 197.
- ³⁰ Lefebvre, 181-182.
- ³¹ Lefebvre, 199.
- ³² "Remarks by Paul Henze," former National Security Council staffer, at the Sixth Michigan State University Conference on Northeast Africa, April 23-28, 1992.
- ³³ David D. Laitin, "Somalia's Military Government and Scientific Socialism" in *Socialism in Sub-Saharan Africa: A New Assessment*, eds., Carl G. Rosberg and Thomas M. Callaghy (Berkeley: Institute for International Studies, 1979), 200.
- ³⁴ Kenneth Jowitt, "Scientific Socialism in Africa" in *Socialism in Sub-Saharan Africa*, 146.
- ³⁵ Mohamed Siad Barre, "Speech to the Nation on October 21, 1979, in *Africa Contemporary Record, 1979-1980*, ed., Colin Legum (London: African Publishing Company, 1980), 308.
- ³⁶ Laitin, 197. While such remarks, as Laitin points out, are confused from the perspective of Socialist theory, they do show that Siyaad, in his own way, deliberated on the meaning of "scientific socialism" for the Somali state.
- ³⁷ *Africa Contemporary Record, 1979-80*, 306-308.
- ³⁸ *Africa Contemporary Record, 1980-81*, 308-312; 1981-82, 255-260; 1982-83, 265-272; 1983-84, 255-262.
- ³⁹ *Africa Contemporary Record, 1980-81*, 312; 1981-82, 260.
- ⁴⁰ *Africa Contemporary Record, 1987-88*, 305.
- ⁴¹ *Africa Contemporary Record, 1987-88*, 304.
- ⁴² *Africa Contemporary Record, 1987-88*, 393.
- ⁴³ Somali Democratic Republic, *National Development Strategy and Programme, 1987-1989*, (Mogadishu: February 1987), 1-12.
- ⁴⁴ *Africa Contemporary Record, 1987-88*, 305.
- ⁴⁵ The final years of the Somali Democratic Republic are ably recounted in Angelo Del Boca, "Dalla guerra nell'Ogaden alla battaglia per Mogadiscio," *Studi Piacenti* (1991): 35-96 and Maria Bongarty, *The Civil War in Somalia, Its Genesis and Dynamics* (Uppsala: The Scandinavian Institute of African Studies, 1991).

Chapter 3

THE CHALLENGE OF DEVELOPMENT IN SOMALIA

When the former British and Italian Somali territories merged in 1960, they constituted a country "with a divided and weak education system, different administrative traditions, and without a common language of government since there was no official script for Somalia."¹ The Italian administration had a development tradition of state corporatism, emphasizing plantation agriculture in the river basins; in the North, under a *laissez-faire* policy of indirect rule, the British provided infrastructure and education to enhance trade. Capital city politics during the early years of independence naturally drew development decision-making and resource allocation toward the center, but the First Republic had no clear-cut developmental policy. Into this policy amalgam and administrative confusion, Siyaad and the Supreme Revolutionary Council (SRC) introduced a policy of scientific socialism and a program of economic centralization. Assessments of the impact of Siyaad's policy on the Somali people's welfare have differed markedly.

The Heritage of "Scientific Socialism"

Social benefits. A study commissioned by the Economic Commission for Africa in the late 1970s praised socialist Somalia's accomplishments. Drawing from that study, as well as his own extensive experience in Somalia, Charles Gesheker gives the regime the most positive scores. He cites as evidence of the regime's success the new script for the national language, a deepened social consciousness, a popular sense of participation in Somalia's future,

improved status for women, and significant development in education, social services, and infrastructure. Geshekte reports that, during the first decade of Siyaad's rule, the number of people per doctor was nearly halved, life expectancy rose from twenty-eight to forty-one years, clean water was available to twice as many people, and primary school enrollments quadrupled.²

In a similar vein, Laitin and Samatar asserted that Siyaad's regime, by transcribing the Somali language, made possible effective communication within the administration and brought citizen input into the political process. A written Somali language fostered, as well, an egalitarian educational process and reduced tensions between the North and the South. The SRC mobilized youth cadres to teach literacy in outlying urban and rural areas, giving Somalia one of the Third World's most rapidly improving literacy rates. Its language and literacy programs may have been the SRC's most enduring legacy.³

Siyaad's regime also dealt effectively with the 1975 drought, using his youth corps, which was already deployed for literacy programs, to bring relief to hard-pressed areas. At the same time, the regime pioneered nomad resettlement programs. Although refugee programs became a channel for the enrichment of Ogadeni leaders, the SRC undertook heroic efforts after Somalia's defeat in the Ogaden (and subsequent Ethiopian repression within Ogaden homelands) to accommodate refugees.⁴

Ironically, one of the virtues of Siyaad's scientific socialism was that it left so much of the private sector untouched. In a comprehensive survey of Somalia's economy in the early 1980s, Berg Associates discovered that Somalia had remained largely a private economy even after a decade of scientific socialism.⁵ The livestock industry, involving 60 percent of the population and at least 50 percent of the domestic product, was left in private hands. Only 5 percent of crop production was in public schemes. Somali socialism concentrated public holdings in the modern sector of manufacturing and services. By 1980, these accounted for 80 percent of wage earners in enterprises employing more than five people. Although it employed most of the wage earners, the public sector was, in fact, the most unproductive part of the general economy.

Economic costs. However positive some aspects of Somali socialism were, the SRC's policies had an overall negative effect on Somalia's economy and the welfare of the Somali people. During the 1970s, the Somali state pursued a consistent policy of promoting state-controlled industrialization and large-scale agriculture. Government expenditures rose, budget deficits widened, bank borrowing increased, pressure grew on prices and balance of payments,

and scarce resources were generally mismanaged. Somalia showed zero economic growth for the decade. The government sought to control the economy by nationalizing all enterprises in financial, export-import, and industrial establishments, but government investment in these sectors lacked focus and led to poor performance. Poor management, lack of foreign exchange, necessary technical skills, and economic incentives, and the birth of the black market led to continued reduction in production.⁶

By the end of the Ogaden War in 1978, Somalia's productive capacity had been decimated. Because the Soviets had cut off their aid, sharp increases in government expenditures, uncontrolled bank credit leading to high inflation and a surge in imports, and dwindling foreign reserves combined to create an increasingly desperate situation. Furthermore, foreign capital flows were lacking. The trade deficit was increasing due to stagnated exports and expanding imports.⁷

But statistical data suggested that Somalia had been in an economic decline for a long while. Although Somalia never kept national accounts statistics, figures from World Bank surveys painted a partial picture of economic trends. Population growth, along with public and private consumption, had been outstripping production since just after independence. Population growth in the 1960s, for example, is estimated at 2.6 percent. Yet, indicators show that gross domestic production increased by only 1 percent annually during the same period, whereas public consumption grew by 3.7 percent and private consumption by 4.0 percent. In the 1970s, production rose by an estimated 3.4 percent, mainly fueled by 6.9 percent growth in the services sector; both agriculture and manufacturing, however, lost ground, failing to keep up with the 3 percent population growth. Private consumption in the 1970s held at a 4 percent annual increase, while public consumption took off at 10.8 percent annual growth.⁸

By 1980, all key accounts were in deficit: imports exceeded exports by some \$327 million; private and public saving amounted to minus percentages of GDP; the overall government deficit was about \$27 million; foreign reserves were desperately low; and accountable debts were over \$3 billion. Crop production was stagnant; industrial production, in spite of massive investment in parastatal enterprises during the 1970s, registered a negligible 0.4 percent annual growth. The effect of the 1974-1975 drought, the 1977-1978 Ogaden War, and the resultant refugee burdens in 1977-1979 all added to the dismal picture. World Bank studies concluded that Somalia's economic situation was "primarily the result of the adoption and implementation of inappropriate strategies and

policies."⁹ Bank analysts believed that "pervasive government control" and "policy-induced distortion" led both to "economic stagnation and grossly inefficient resource use and to external and domestic financial crises." Somalia suffered as well from "serious institutional weaknesses in both the public and private sectors."¹⁰ Table 1 shows the general decline in productive capacity accompanied by growth in services, especially government services.

**Table 1: Estimates of GDP at Factor Cost, 1972 and 1978
(at 1978 constant prices)**

	1972 <i>(millions of Somali shillings)</i>	1978	Percent of total in 1978	Average annual growth rate (%)
Productive Sector	4,405	4,675	72.0	+1.0
Agricultural Sector	3,775	4,060	62.5	+1.2
<i>of which:</i>				
Livestock	(2,820)	(3,265)	(50.3)	+2.5
Crops	(670)	(490)	(7.5)	-5.0
Other	(285)	(305)	(4.7)	+1.0
Industrial Sector	630	615	9.5	-0.5
Services Sector	1,255	1,820	28.0	+6.5
<i>of which:</i>				
Government Services	(350)	(570)	8.8	+8.5
Other Services	(905)	(1,250)	19.2	+5.5
GDP at Factor Cost	5,660	6,495	100.0	+2.5

Source: Ministry of National Planning, "National Accounts Estimates, 1970-78," December, 1979 (mimeographed) and World Bank, "Somalia: National Income Accounts," April 1980 (mimeographed).

Faced with rapid population growth, increased urbanization, and declining agricultural productivity, Somalia was unable to feed its people. Food imports, even prior to the mass influx of refugees in the late 1970s, were increasing at a rate of 9.7 percent annually. Meanwhile, crop production was declining at a rate of 5 percent per year while livestock grew a modest 2.5 percent. But the growth of government services was an alarming 8.5 percent, due primarily to the promise of a government job for all secondary school graduates.¹¹

Eighty percent of the Somali population depended on agriculture for employment. Livestock provided 60 percent of the employment, while 20 percent depended on crop production. Fisheries provided 2 percent of employment. Yet the agriculture sector grew only at the rate of about 1 percent in the 1970s, in sharp contrast with the approximately 2.5 percent growth in population. Thus, agricultural production for selected crops in the period 1970-1980 generally declined by approximately 10 percent, except for bananas, which did spectacularly well in the early 1970s. As Table 2 shows, agricultural production overall was either stagnant or dwindling, unable to keep pace with either population growth or public sector expenditures. This poor performance reflected the government's adherence to economically disastrous policies.

Table 2: Agricultural Production, 1970-1980
(thousand metric tons)

Year	STAPLE CROPS		CASH CROPS		
	Maize	Sorghum	Sesame	Sugar	Bananas
1970	122.1	158.1	43.4	46.0	45.5
1971	99.4	128.7	35.3	—	150.8
1972	114.9	149.1	41.0	30.3	188.5
1973	98.9	128.4	35.4	30.6	168.3
1974	96.8	125.7	34.7	33.2	157.5
1975	103.6	134.7	37.3	30.0	106.0
1976	107.6	139.3	38.8	24.0	96.6
1977	111.3	145.1	40.6	21.4	65.2
1978	107.7	141.1	40.0	29.1	69.7
1979	108.2	140.1	40.6	26.8	72.2
1980	110.5	140.5	38.4	34.1	60.4

Source: Ibrahim Samatar, "Long-Term Development Prospects for Somalia" in World Bank, *The Long-Term Perspective Study of Sub-Saharan Africa*, 1990, 109.

The government's efforts to centralize, coupled with drought and war, brought the economy to a halt by the end of the 1970's. Despite the benefits of literacy, expansion of government services, popular mobilization, and the creation of new infrastructures and industries, the productive base of Somalia's economy had steadily eroded under the SRC's rule. Siyaad's socialism had not assured a better life for Somalis. The government then belatedly realized it must institute "corrective action and gradually move towards a more open economic system."¹² The Somali government turned toward Arab and Western donors for assistance in getting out of its economic rut. But bilateral donors depended on multilateral institutions to set forth the issues and develop appropriate responses to the problems of development in Somalia.

Coordinating Development

The World Bank and the International Monetary Fund (IMF) spearheaded donor efforts to address Somalia's economic crisis. Both institutions, active in Somalia since the 1960s, provided the framework, direction, and focus of donor efforts. Both institutions, at different times, had staff attached to Somali ministries with programs that mirrored approaches used elsewhere in Africa. The IMF supported the monetary system with drawing rights from reserves and offered technical assistance to the Central Bank. World Bank programs in the 1960s focused on infrastructure and agricultural programs; in 1968, the World Bank included Somalia within the East African Consultative Group that was created so that "governments and institutions in a position to provide finance and technical assistance [could] consider jointly the development needs of recipient countries in a comprehensive and continuing fashion."¹³ While maintaining its focus on agriculture in the 1970s, the World Bank began to stress health, education, and other basic human needs as well as institution-building. Both the World Bank and the IMF were able to maintain contact with Siyaad's regime during the difficult days of Soviet ascendancy and to revive their programs after the Ogaden War. Neither was encumbered by political hesitations about Siyaad's intentions in the Ogaden, which delayed resumption of some bilateral programs.

The development problems Somalia faced after the Ogaden War were so enormous and difficult that it seemed reasonable to leave the job of setting the policy agenda and determining strategies to the IMF/World Bank. Their earlier experience in Somalia prepared them for this task; they furnished the chief data on which donors

based their developmental plans. Moreover, no single power, not even Italy with its ubiquitous presence and long traditional ties, wanted the burden of rebuilding Somalia alone. Development assistance to Somalia had to be a consortium effort.

The World Bank and IMF were thus well-positioned to coordinate the donor effort in developing the Somali economy. Since the end of the Ogaden War, they had been consulting with donors and had begun collaborating on multi-donor projects. In 1981, the Somali government had engaged in its first IMF "stand-by program," a loan to stabilize the country's financial situation coupled to specific measures of fiscal and monetary reform. By 1983, Somalia's development planning was sufficiently in line with the donor agenda to permit the World Bank and IMF to arrange donor "Consultative Group" discussions in Paris. Similar consultations were held in 1985 and 1987, but the one planned for 1989 was ultimately scuttled by political upheaval. At the field level, the World Bank and the United Nations Development Program co-chaired monthly coordination meetings in Mogadishu in which U.N. implementing agencies and private voluntary organizations had a prominent voice. From the mid-1980s, Western bilateral donors regularly held monthly chief-of-mission luncheons, which came to include the European Community, the World Bank, the IMF, and the United Nations Development Program resident representatives.¹⁴ (Appendix II contains brief summaries of some typical donor projects.)

The Donors' Agenda

A 1980 World Bank economic mission to Somalia traced out the direction and focus of the multilateral strategy required to set Somalia on the development path. Concluding that "major policy reforms were necessary in order to restore financial equilibrium and to restructure the economy," the mission prescribed three categories of measures: short-term restoration of financial equilibrium; stimulation of growth in the economy through free-market mechanisms; and, improvement of institutional tools and the capacity for economic management.¹⁵ These three broad categories, elaborated and refined through the decade in donor programs and policies and government responses, remained the pillars of the development agenda.

IMF objectives. The first pillar of the donor agenda, financial stabilization, was the IMF's particular arena of operations. Consultations on stabilization measures began in 1980, and a stand-by

program was established in 1981. This program was modestly designed to acquaint the Somali government with IMF procedures and to initiate some financial discipline. The agreement called for moving the exchange rate toward its market value, inducing the government to exercise fiscal and monetary restraint, and encouraging higher interest rates and agricultural prices. Although these measures generated some recovery in the economy and increased external aid, Somalia failed to maintain budgetary and credit disciplines and fell out of the program.¹⁶

A second IMF stand-by program was negotiated in 1983 with expanded goals: precise fiscal, monetary, and exchange rate targets; improved financial discipline; and specific measures for the liberalization of agricultural pricing and marketing. This became part of the reform program that the government presented to donors at the first Consultative Group meeting on Somalia, October 1983, in Paris.¹⁷ However, because of a Saudi ban on Somali livestock imports (presumably because of diseased animals) and a Somali decision not to implement additional policy measures on devaluation and financial restraint, a severe financial crisis broke out in 1984 with record inflation and mounting debt-service arrears. The deteriorating financial situation forced the government to adopt, under a third IMF stand-by agreement, an adjustment program destined to reduce domestic and external imbalances and to stimulate economic growth. A special Consultative Group meeting in January 1985 endorsed the revised program and promised assistance to finance the payments gap. In November of that year, another Consultative Group meeting reviewed the economic situation and stressed the need to raise domestic revenue and savings, to enforce public expenditure control and restrain monetary expansion, and to liberalize price, trade, and exchange controls.¹⁸

In June 1987, Somalia entered into a fourth stand-by program. By 1987, IMF reform measures had perhaps achieved their maximum effectiveness. Although the IMF had already secured Somali agreement to an exchange auction for foreign currency, it demanded unification of the official and auction rate and the rate's maintenance at a realistic level. The government achieved significant increases in tax recuperation, but the IMF wanted improvement in tax administration as well as control of government expenditures. Most imported and exported goods were freely marketed, but the IMF wanted to free up imports of petroleum products and exports of hides, skins, and frankincense, all monopoly preserves of Siyaad's kin. The IMF also sought simplification of import tariffs, a provision that would diminish the "service fees" of the National Clearing Agency, another of the Marehan Clan holdings.¹⁹

Apparently the assigned targets threatened the ruling elite's interests too directly. Following a comprehensive study by a Party committee of problems that financial stabilization did not correct (unemployment, scarce credit, the dwindling value of the Somali shilling, long-term investment), Siyaad decided, in September 1987, to return Somalia to an autarkic economy with fixed exchange rates and controlled prices. The economy again went into a nose dive: inflation sky-rocketed, goods disappeared from shelves, production came to a standstill, and foreign credit and exchange dried up. Somalia was forced into yet another policy evaluation which resulted in a July 1988 commitment to meet certain reform benchmarks (called "a shadow program") that would qualify Somalia for another IMF loan.

The reform measures of this program were similar to those listed above—monetary and fiscal controls, revenue enhancement, and a realistic exchange rate. However, this time the IMF was more insistent on liberalization measures. Transactions in hides and skins were to be completely open. The Somali Commercial and Savings Bank, Siyaad's private source of credit, was to be closed out and the financial sector opened to private banking.²⁰ Although the Somali government appeared to meet the targets of the shadow program, it was never able to secure another stand-by arrangement. Deprived of traditional avenues for patronage, Siyaad progressively lost his purchase on clan loyalties as well as control over his own clan-based guard. Repressive violence in the streets of Mogadishu in June 1989 made it impossible for donors to come forward with financing packages to clear Somalia's debt to the IMF so that the 1989 stand-by program could go forward. The IMF's nine-year effort to bring financial equilibrium to Somalia's economy came to an abrupt halt.

The World Bank focus. The IMF and the World Bank worked together closely on the reform agenda that guided donor efforts in Somalia. They co-chaired the Paris Consultative Group meetings, shared the findings of various visiting missions, and set similar conditions in their agreements. While IMF programs pointed toward financial equilibrium, World Bank programs were naturally more focused on economic growth and the development of institutional capacity.

Initially, the World Bank approach was to analyze the measures necessary to generate increased production and exports sector by sector and to design specific projects to carry those measures out. In agriculture, the Bank solicited multi-donor cooperation in developing large agricultural projects within key regions, a natural carry-

over from the Bank's concentration on integrated rural development schemes in the 1970s. The objectives of these projects were to increase the productivity of the range lands; to integrate crop and livestock activities; to build access roads; and to manage and utilize water resources. The objectives of fisheries projects were to assess fish populations, enhance the management and exploitation of pelagic resources (which were assumed to be substantial), as well as to construct on-shore processing facilities. Improved fish yields were to increase export income and add protein to the Somali diet. The objectives of economic management projects focused on reform of the civil service, including increased salaries and performance incentives for technical grades, the reduction of overall staffing, and abandonment of the policy of automatically hiring all secondary school graduates. Another economic management objective was to develop adequate systems for collecting and analyzing economic data so that better decisions on public investment programs could be made; in-service training and formal graduate programs were to be the means to this end.²¹

By the early 1980s, the Bank saw that reforms needed to be more broad-based and aimed at major structural problems throughout the whole economy. In 1983, with World Bank prodding, the Somali government devised a medium-term recovery program establishing a detailed Public Investment Program and setting reform goals that called for more disciplined, productive public investment, the liberalization of agricultural prices and markets, and a system of incentives to encourage the private sector. These were in addition to IMF-supported fiscal reforms. Further, by 1985, reform of public enterprises and reduction of public employment had been added to the Somali reform package. However, even as the scheduled number of required reforms grew, progress on previously scheduled reforms stalled. The 1985 World Bank economic report outlined an "unfinished agenda of actions" that included: progress to full liberalization of trade and prices; improved incentives and legal framework for private sector reform; strong fiscal efforts to raise domestic revenue; improved quality to public investment; and public investment confined to resource availability and recurrent cost constraints.²²

As the World Bank wrestled with the challenges of Somalia's economy, it became clear just how fundamental the changes would have to be for Somalia to emerge from chronic structural imbalance and dependence on external financing for governmental operations. The list of previously required reforms kept reappearing in report after report, each time becoming more specific and stringent. For example, instead of merely calling for "improved quality" in

public investment, the 1987 report specified the "use of profitability criteria" and a "focus on growth generating sectors" in selecting investment projects. It also targeted petroleum imports along with exports of hides, skins, and frankincense as trade areas to be privatized. The 1987 report recommended, for the first time, introducing private banks and adjusting interest rates to real positive levels as incentives for private-sector savings and investment. Instead of calling simply for reform of public enterprises, the 1987 report stressed phasing out nonviable enterprises.²³

Concerned as it was with structural reform across the economy, the World Bank understood that agriculture (including livestock and crops) was the lead sector. There the Bank's goals of economic growth and improved institutional capacity could be pursued with greatest effectiveness. Moreover, attempts to spur growth in agriculture raised policy questions that in turn could not be answered "without some resolution of the larger issues...for the economy as a whole." According to this reasoning, if policies for agriculture were adjusted, the entire economy could be straightened out.²⁴ Consequently, in addition to specific projects in infrastructure, electricity, and education, the World Bank orchestrated an approach to structural reform through an Agricultural Sector Adjustment Program (ASAP). Like other Bank projects, the sectoral program was a product of donor coordination and was enhanced by multi-donor funding.

The first Adjustment Program (ASAP I) sought to finance the recurrent import requirements of the Somali economy so that policy reforms could be instituted. These reforms included an auction system for foreign exchange, the elimination of subsidies on diesel fuel and tractor rental, further liberalization of agricultural marketing, and expansion of private sector inputs to the economy. Financing included \$60 million of World Bank credits and co-financing from the United Kingdom, Italy, and the United States. About four-fifths of the funds were to go into the foreign exchange auction while another part was to purchase diesel fuel and lubricants for the Somali petroleum monopoly—SOMPET—as a means of inducing privatization of the petroleum sector.²⁵

Neither the auction nor the petroleum grant could leverage the structural changes that were their targets. The government began to realize that it had lost political control of foreign exchange; the auction also dried up the lucrative parallel market, and the shilling was not yet stabilized. Power, profit, and pride were at stake. When the Party's study committee argued in the summer of 1987 for a return to a fixed-rate exchange system, Siyaad was easily convinced. In September 1987, Somalia dropped off the reform wagon. The

result was disastrous. Cut off from aid flows, facing spiralling inflation, with reserves down to one month's worth of imports, and deeply in debt, the government decided to get back into an adjustment program.

A second Agricultural Sector Adjustment Program (ASAP II) was then drafted to meet the ever more pressing need for structural reform. The conditions that had to be met were similar to those of the first ASAP but more extensive: reform of foreign exchange policies, decontrol of the financing system, liberalization of *all* agricultural marketing, improvement of land-tenure institutions, and expansion of private sector inputs and services to the economy. This time the funding was to come from the World Bank and the African Development Fund (\$25 million) for a two-year program of \$95 million.²⁶

The World Bank's development strategy for Somalia paralleled the IMF's approach. As experience in Somalia increased, as Somalia continually missed reform targets, the Bank offered ever larger inducements to reform but set more stringent and extensive conditions. Over the decade, Bank targets moved from sector-specific technical problems, such as research or irrigation development, to large structural issues within the general economy, such as the financing system or the pattern of land tenure—both key channels of enrichment for Somalia's political elite. Bank prescriptions grew from hortatory language on privatization to specific demands that all agricultural marketing be freed, that subsidies for fuel and tractors be terminated, or that such inputs as seeds and fertilizers be obtained from the private sector. Its technical assistance was originally directed at building up the capacity of state institutions to manage the economy better. At the end of the decade, Bank advisors were counseling the Somali government on how to sell off parastatal companies, dissolve marketing boards, and break the monopoly of state-owned financial institutions.

In the summer of 1988, as civil war broke out in the North, the World Bank was evaluating the prospects of launching another structural adjustment program to replace the one scuttled by Siyaad's return to a controlled economy. Bank staff reported that the Somali government had renewed its commitment to growth-oriented adjustment policies and that "in contrast to previous adjustment programs, the government had already taken several measures up front."²⁷ Indeed, in February 1989, the government had announced decontrol of maritime shipping and free trade in skins, frankincense, veterinary drugs, and agricultural supplies, as well as privatization of banking, insurance, and shipping services.²⁸

The government's actions, however, were merely statements of intent that lacked enabling legislation. This was a weak foundation for reform. (Siyaad had previously used parliamentary devices to block elaboration of a new investment code from 1986 to 1988.) The Bank awarded the first tranche of ASAP II (\$33 million) in June 1989 on the hope that this time the Somali government would "speedily carry through on its promises."²⁹ The Bank chose to believe that the Somalia government would "hold to a steady course of economic policies, follow through on announced intentions and avoid abrupt changes in policy."³⁰

In retrospect, nothing about Somali economic behavior inspired optimism, particularly the kind of optimism that would advance a \$33 million loan on the basis of Somali "commitments" to reform. Moreover, Somalia was at war; the government was progressively losing control of the provinces; and the costs of conflict could not be contained. Bilateral donors were losing patience. Some had even stopped further disbursement of development aid. However, just as the IMF persisted in soliciting donor contributions for paying off Somalia's arrears so that the country could be accorded another IMF stand-by loan, even so the World Bank pursued its second structural adjustment program. Meanwhile, across Somalia, civil war raged.

The history of donor assistance to Somalia is fraught by this kind of baseless optimism and continuing, persistent efforts to bring Somalia into conformity with the donor agenda, with little apparent regard for the political undercurrents tugging at the Somali state. Somalia may have seemed to be in line with the donor program from time to time, but a review of its overall performance during the 1980s shows just how out of step it really was. The following review of some specific problems that the IMF/World Bank reform agenda faced will highlight the Sisyphean nature of the donors' task.

Difficulties with the Agenda

To sum up: the IMF and the World Bank, in close consultation and collaboration with donors, elaborated a reform agenda for Somalia which sought to restore financial equilibrium, stimulate growth through opening the economy to free markets, and improve the institutional capacity for economic management. However, the collaborative donor effort to restructure and develop the Somali economy came up against many barriers: budget deficits compounded by inordinate spending and lack of revenue; continuing Somali dependence on commodity assistance and the counterpart currencies that commodities generated; the Somali government

disinclination to let market forces operate, especially in the management of foreign exchange; built-in limitations to productive growth in lead sectors such as rain-fed crops and livestock; the persistence of government intervention in development programs; and the lack of cadre within both public and private sectors trained to carry forward the development effort.

Economic equilibrium. In seeking to restore financial equilibrium, the donor development effort faced the continuing challenge of Somali budget deficits. The Somali state had never invested much of its own resources in development budgets; it depended on foreign aid to fund development. However, until 1979 when the budget incurred a \$9 million shortfall in covering its personnel obligations, Somalia had been able to cover recurrent costs of its own administration.³¹ During the 1980s, Somalia's ordinary budget was not even large enough to pay the annual costs of the economic and social ministries; Somalia's development budget was then entirely dependent on donor assistance. Moreover, within the ordinary budget, the government allocated what funds it had in an unintelligent manner. A World Bank review concluded that, throughout the 1980s, "sectoral allocation of expenditure has considerably underfunded both recurrent expenditure necessary to operation and maintenance of social and economic services and outlays for the efficient management and operation of civil service machinery."³²

With increased donor assistance in the 1980s, Somali ordinary and development budget expenditures grew apace but revenues did not. Moreover, the costs of maintaining development programs created a recurrent burden far in excess of what the Somali state could possibly extract from the economy. In the early 1980s, apart from the export sector, Somalia had nearly become a tax-free economy. Tax collection, other than on export crops, on foreign firms, on the paltry incomes of civil servants, and from some customs duties, was almost non-existent.

It is not surprising, then, that donors, in pushing for civil-service reform, pressed first on improving the revenue service. With outside technical assistance and indigenous efforts, the director of revenue was reportedly able to double revenues from 1984 to 1986.³³ However, revenues in 1986 were only 6 percent of GDP, and in 1988 they fell to 5 percent, compared to 10 percent of GDP in 1983. At the end of the decade, the World Bank reported "a sharp decline in the ratio of revenue to GDP in recent years."³⁴ The problem was twofold: First, although more revenue was coming in, there was no budgetary control on government spending; expenditures increased faster than did government income. At a time of renewed develop-

ment efforts, government expenses on and off budget were growing, but government receipts could not keep pace. The Somali state became increasingly dependent on external financing, much of it provided through commodity assistance, which fueled a false inflationary growth.³⁵ Second, rationalized revenue collection (streamlined customs procedures, enhanced real estate, and business levies) confronted the prevailing "warlord" ethos of a bureaucracy built on ascribed status and proximity to power and opportunities to divert development assistance. The political elite could not long endure structural changes in their customary way of doing business. Within the Somali establishment, there was not much political support for civil service reform, a prerequisite to systematic improvement of revenue collection. Revenue enhancement quickly met a political limit to further expansion of the tax base.

Somalia emerged from the Ogaden crisis in need of everything: food, money, and equipment. Donors turned to the import of commodities (food, agricultural inputs, and industrial equipment) to provide necessary goods to get the economy going and used the proceeds from the sale of these goods to finance some 300 development projects across Somalia or to subsidize essential services in the ordinary budget. Counterpart currencies funded much of Somalia's regular government activities and all of its development programs.³⁶ To streamline administrative procedures and get projects moving, many donors kept counterpart currencies destined for development purposes off budget; control of these funds was sloppy at best. Despite donors' efforts to monitor use of counterpart currency, ministries used development projects for personal gain through "sweetheart" contracts, over-invoicing, and false documents. Even though A.I.D. began monitoring its funds through a special account in 1984, by 1987 a report noted that there was "no comprehensive budget" that included "all receipts and expenditures of counterpart funds."³⁷

More significant were structural problems caused by the effect of large-scale commodity imports on Somalia's economy. For example, the \$490 million in commodity imports and cash grants made available to Somalia between 1985 and 1989 supposedly funded construction, transport, and salaries in development projects and some ordinary budget expenses through transfers from the Central Bank to the development and ordinary budgets managed by the Ministry of Finance.³⁸ There were three problems, however. First, although the counterpart currencies that paid for these commodities (or matched the cash grants) were tabulated on ledgers in the Central Bank, there was never any audit on the movement of these funds. Instead of being invested productively, a large portion

of the money was simply recycled through the commercial economy, thus increasing money flows and fueling inflation.³⁹

Second, when commodities were put on the market or foreign exchange was auctioned, the Commercial and Savings Bank, which Siyaad directly controlled, would issue letters of credit called "circular notes" without collateral to favored members of the ruling elite. These notes could then be traded for the cash needed to buy commodities or foreign exchange. Although Somali authorities blamed the depreciation of the shilling on the auction system, the World Bank argued that "the main contributing factor to the escalation of the price of foreign exchange in the auction was a relaxation in monetary and fiscal discipline."⁴⁰ The Commercial and Savings Bank, in effect, became the black hole of Somali finance. It was the most direct means of bypassing IMF-imposed credit restraints that sought to keep inflation in check.

Finally, once counterpart currencies (except for the U.S.-monitored PL 480 funds) reached the Ministry of Finance, they were largely used to fund the ordinary budget or held for "extra-ordinary expenditures." A World Bank review at the end of the 1980s noted that the government made no accounting of ordinary expenditures and that "the Ministry of Finance prefers to leave a large portion of counterpart funds outside the budget to finance extra-ordinary expenditures."⁴¹ From the Central Bank, the Commercial and Savings Bank, and the Somali Development Bank, counterpart currencies flowed from aid projects and programs into private hands, fostering demand for imported goods, creating an acute trade imbalance, and generating inflationary pressure within the economy. The foreign currency auctions siphoned off local currencies and pumped up this inflation, but the economy imploded when Somalia went back to a fixed rate of exchange in 1988. Thus, commodity and cash grant programs meant to leverage policy reforms were misused by Siyaad's regime, undermining Somalia's economy.

The history of foreign exchange regimes highlights the Somali reluctance to take reform seriously during the 1980s. Control over foreign exchange was control over wealth, particularly in a country that lived by trade. Production in Somalia never generated enough foreign exchange to meet the requirements of government programs or the demands of the economy at large. The state adopted the *franco valuta* system which allowed exporters to retain a portion of the foreign currency they earned in selling goods or services overseas to use in purchasing goods for import. In 1981, the government replaced the *franco valuta* system with a two-tier

exchange system holding a more favorable rate for commercial transactions. In 1985, a three-tier system was adopted, permitting holders of foreign currency accounts to buy Somali shillings on the open market.⁴²

The IMF opposed this arrangement. It wanted the shilling brought to a single market value in order to make livestock and other exports competitive at world market prices. The foreign currency auction proposed by the IMF was intended to limit arbitrary government interference with private sector transactions, removing with one mechanism the anomalies of a controlled economy. So, in 1986, with the help of other donors and in tandem with an IMF stand-by agreement, the World Bank funded an exchange auction through the Agricultural Sector Adjustment Program.

Operationally, the auction was a great success. Under IMF/World Bank auspices, the Ministry of Finance auctioned foreign currency every fortnight to private and public importers of commodities essential to economic production. After a period of initial adjustment, the shilling/dollar price held steady near the market rate for several auctions in a row.⁴³ Then, in the summer of 1987, the shilling began to depreciate rather rapidly. On the recommendation of his Party's economic committee, Siyaad gave up the exchange auction, reverting back to a fixed exchange rate and a controlled economy. Several systemic problems brought about the depreciation of the shilling. First, the IMF and World Bank agreed to a bigger initial offering of foreign exchange than had originally been programmed, making bidders feel that the auction was a short-term phenomenon that required early, heavy bidding. According to a Bank review, "increased demand produced the decline in the value of the So. Sh. [Somali shilling]."⁴⁴ Second, some traders used false invoicing to channel foreign exchange toward nonproductive, inflationary purchases. Most important, an open window at the Commercial and Savings Bank gave Siyaad's cohort unlimited, unsecured credit with which to buy foreign exchange. Despite these deficiencies peculiar to the Somali economic ethos, the auction failed principally because it succeeded—it dried up the black market in foreign exchange and, in consequence, generated a political backlash, for the black market offered the easiest way for Somalia's ruling elite to get rich. The World Bank concluded in retrospect, "after a period of experimentation with liberalization in the economy, the views of those opposing it did prevail...the loss of Government control over the foreign exchange allocation had made the authorities uneasy."⁴⁵

Liberalization and growth. Stimulation of Somalia's productive capacity through opening the economy to market forces had been a decade-long donor goal. In setting its strategy to this end, the World Bank sought areas of comparative national advantage and quick impact. Early multi-donor projects targeted rain-fed agriculture and livestock with apparent success. Previously stagnant crop production expanded at 2.3 percent in the early 1980s and increased annually at 7.8 percent in 1985-1986. Livestock grew at an average annual rate of 4.4 percent for the first half the decade.⁴⁶ Cereals imports (excluding food aid), which had grown from 28,000 tons to 150,000 tons in the decade up to 1984, began to decline thereafter. By 1986, Somalia was producing a surplus of sorghum and maize.⁴⁷ Yet by 1987, drought touched some regions of Somalia, and the government could not meet local food needs, requiring a flood of emergency food shipments. Agricultural growth seemed to have reached an artificial production barrier. What had gone wrong?

After the Somali government rescinded its monopoly on grain marketing in 1982, there was a significant increase in grain on the local market. Apparently, granaries, where crops had been stored during periods of low government prices and uncertain prices, were opened. Some gains may have come from increasing the acreage devoted to grain or improving production per acre. But nobody knew for sure; there was an uncertain statistical base. The World Bank, itself the source of data that all other donors used, found that no agricultural sub-sector had "clear and unambiguous data."⁴⁸ Statistics provided by the Ministry of Agriculture and Ministry of National Planning contradicted each other and were internally inconsistent. A Bank report stated in a footnote that government statistics were "not comparable with other data or statistical aggregates previously provided."⁴⁹ Though sorghum and maize production and yield seemed to increase on small and medium-sized farms, due to improved incentives and good rain, no one knows precisely what those increases really were, how they were achieved, and especially whether or not any donor crop production schemes influenced the trend. Livestock production, entirely in private hands, was even more difficult to track. Annual estimates of yield varied widely. The Bank report found that "the reported growth of livestock output, central to the movement of the overall production index and the rate of growth of the economy as a whole" was "particularly questionable."⁵⁰ Statistics show that livestock production reached a peak in 1983, then fell when Saudi Arabia banned import of Somali stock. Data also suggest that livestock production and exports rebounded in the late 1980s without any change in Saudi policy. Thus, the impact on Somalia of losing the best market

for its most important export cannot be known for certain and the production effect of major donor efforts cannot be assessed.

There were structural barriers to production growth as well. Research in Somalia had traditionally concentrated on plantation agriculture and non-traditional crops. This brought increased yields for bananas in the 1980s when the Saudi/Italian consortium—Somalfruit—began to supervise application of new technologies. But during the same period, yields in sugarcane, which remained under Somali government control, fell from thirteen tons a hectare to three tons a hectare. In spite of donor research and extension efforts, there were no production increases for rice, wheat, groundnuts, and cotton. The World Bank report found in 1987 that research had learned little that would improve production of rain-fed crops. The report concluded, "After more than 20 years...of research, few lasting results have been achieved."⁵¹

Somali government liberalization of internal markets and attendant price increases brought quick gains in production of some food crops for the domestic market, but the government held on to export monopolies for agricultural goods, except for livestock, which had remained in private control. The import and sale of agricultural inputs—pesticides, fertilizer, machinery, improved seeds, and veterinary medicines—was also a government monopoly until the late 1980s. These items, so crucial to the continued expansion of agricultural production, were either not available to farmers and herders during the 1980s or were provided at noneconomic prices creating distortions in the agricultural production cycles.

Somali economic and development policy touched agricultural production in other ways as well. All through the 1980s, state agricultural organizations were the major consumers of development assistance for production growth and the main purveyors of agricultural inputs (Mogambo and Fanole for rice, Juba and Jowhar for sugar, National Range Agency for livestock). In 1989, some 6,500 hectares of farms were still under direct government control.⁵² The government's failure to privatize these operations or decontrol their marketing monopolies suppressed effective utilization of Somalia's agricultural potential.

Government policies on the exchange-rate mechanism were critical. Decontrol of agricultural inputs depended on an open, market-rate exchange so private importers could have regular access to foreign exchange at predictable rates. Similarly, the sale of livestock, fruit, or even cereals overseas depended on a rate of exchange that made these products competitive in the world market.⁵³ In 1987, after Somalia produced a surplus of sorghum, the Agricultural Development Corporation, the government grain-

marketing monopoly, lost a major international order because it insisted on a higher-than-market rate for the shilling. The competitiveness of livestock exports was particularly vulnerable to exchange considerations. As long as Somalia had the *franco valuta* system, livestock traders could afford to sell abroad because they kept part of the foreign exchange earned for lucrative import transactions. Without the *franco valuta* system, livestock traders desperately needed an exchange mechanism offering hard currency at market-determined shilling rates. Instead, the Somali government closed the foreign exchange auction in 1987 and then tried to bring cattle exports under government control through the medium of the Livestock Marketing and Health Project, which was building feedlots and veterinary centers at export ports. The project director to whom the normally independent cattle traders were supposed to report was, not surprisingly, from President Siyaad's Marehan Clan.⁵⁴

Continued government control was most apparent in the manufacturing/processing sub-sector. Although the Somali government allowed *ad hoc* private investment, it did not change the socialist investment code until 1988. Each new investment required Siyaad's personal approval and pay-offs to functionaries along the way. Private enterprises that were too obviously profitable were subject to seizure under archaic laws. On the other hand, Somali state enterprises had long since ceased being productive or competitive. A 1987 World Bank Report noted that "loss-making public sector enterprises...remain intact but either are non-functioning or operate at less than 30% capacity."⁵⁵ Reviewing the prospects for privatization in the late 1980s, an A.I.D. mission concluded that the Somali government appeared to have "retreated from its earlier promises to liberalize the economy."⁵⁶ By 1989, some forty-four public enterprises still existed on the books, four more than at the high tide of Somali socialism in 1975. In a careful understatement, the World Bank reported that these enterprises "have not operated efficiently and have had substantial recourse to Central Bank and commercial credit to finance their operating losses."⁵⁷

Using public resources to maintain and repeatedly bail out state enterprises hurt production in two ways. First it dried up credit for productive investment in other sectors. The World Bank found in 1987 that the government banking system was "not adequate to the needs of the [agricultural] sector."⁵⁸ The Bank concluded that unless the Commercial and Savings Bank and the Somali Development Bank were privatized and protected from government interference, there was no hope of channelling adequate credit to new trade and productive enterprises of a liberalized economy.⁵⁹

Second, the drain of public resources curtailed public investment in human resource development. During the 1980s, the government spent less and less on public health, agricultural extension, and education and counted on development funds to fill the gap. In 1989, the World Bank found that "the social sectors" had been "neglected in the allocation of government-controlled resources to the point where the limited services still provided to the population" were "totally dependent on foreign project assistance."⁴⁰ But donors did not accord priority to social sectors either. Except for higher education, long-range investments in making the Somalis a more productive people were almost nonexistent. At the end of the decade, the drive for liberalization and growth came up against acute limitations in educational competence, management skills, and institutional capacity.

Public management. Equipping the Somali state to do its job was a major preoccupation of donors in the 1980s. Initial assessments of Somalia's development potential came up hard against the problems of absorptive capacity and lack of trained manpower. Yet, there was consensus that Somalia's "principal natural resource was its people" and a prime task of development was to help the state "effectively mobilize these human resources in its overall economic development effort."⁴¹

The problem went back to Siyaad's previous attempts at mobilization. The populist concepts of self-help and self-reliance underestimated the importance of professional civil servants and questioned the perquisites and power they exercised in the 1960s. In the early 1970s, Siyaad cut out civil-service increments and sought to reduce the ranks of redundant officials.⁴² However, as volunteerism lost its impetus, the government decided to provide jobs to all school graduates of intermediate levels and above. Autonomous state agencies were created apace to absorb these newcomers. A 1975 survey showed forty state enterprises with a total work force of 16,000, double the public sector cadre of a decade earlier.⁴³

By 1980, donors working in Somali ministries found that many civil servants could not comprehend ordinary development concepts. While the introduction of a written Somali language had given the civil service a common administrative language, many civil servants, especially the younger cadre, could not communicate in world languages. Typing, accounting, and management skills were in short supply. Moreover, Somali civil servants were already among the most poorly paid on the continent (a school teacher received 500 shillings a month, about \$5 in 1984).⁴⁴ Thus, the inheritance of Siyaad's socialism was a bloated, badly-paid, and poorly-trained civil service.

Throughout the 1980s, donors sought to counter this problem with civil-service reform. Training programs proliferated at all levels. Somali government statistics show some \$32 million spent in 1988 alone on technical assistance for educational programs, with another \$7.4 million on technical assistance for specialized training in accountancy, statistical analysis, and management.⁶⁵ Somalis by the thousands were in one kind of training or another. Yet, in 1989, the World Bank reported that, "the quality of public sector management" had "deteriorated in recent years." Restructuring and rationalizing the civil service, at first a laudable goal, became, by the end of the decade, a condition of further assistance. The World Bank set as keystone to its structural reform "strengthening the Government's policy formulation and implementation capacities."⁶⁶

The perpetual crises in the government's capacity to manage its development programs were due in part to the lack of investment in primary and secondary education. The brain pool was drying up. Development in the 1980s was living off the educational efforts of the colonial period, the First Republic, and Soviet training in the 1970s. Another factor was the reluctance of those privileged few who received graduate training overseas to return to work in Somalia's harsh, unrewarding development environment. (The next chapter details this problem in the context of U.S. programs.)

Yet, another aspect was cultural. Somalis performed well abroad in academic competition and became readily conversant with contemporary methods of analysis and administration. On returning to Somalia, however, these experts were easily co-opted by a national ethos anti-ethical to modern administrative behavior. Cohesion within the Somali bureaucracy was established not on the basis of professional competence but on personal and clan affiliations. Ministries and development projects were operated as fiefs in which ministers and project directors used the proceeds from the system to establish client relationships with their poorly paid staffs. These arrangements challenged efforts to rationalize the bureaucracy.

Donors struggled to comprehend this difference in cultural orientation. Italian professors going over test results at the National University concluded that, at the deepest level, Somalis reasoned "poetically," not analytically on the pattern of Western logic. An American study of Somalian civil service discovered that in the Somali administration, "the creation of forward-looking plans of action to meet possible contingencies" were not "characteristic modes of behavior." Further, the study found that program implementation was measured "by the amount of money spent rather than by tangible accomplishments." One American economist teaching in an MBA program concluded that the Somali graduates

would pocket their diplomas and, on return to public administration or the private sector, "manage in the Somali way." Among the donors, Germany worked the hardest within state institutions to create the mechanisms and values of modern bureaucratic competence. But a German advisor recalled that, "with our best intentions we could not overcome Somali archaic thinking."³⁷ For the Somalis, the family or clan provided the social net. Modern administrative criteria of personal performance and accountability could not compete against the Somali loyalty to family, which sanctioned use of state goods for personal benefit and for the greater glory of the clan.

To deal with the problems of the brain drain and cultural dissonance, the World Bank, and then the United States, set up programs to give certified graduate education in management and public administration inside Somalia, first through the Somali Institute of Development Administration and then through the Somali Management and Training for Development Project. Training slots were specifically kept open to students interested in private business. These programs established centers of socialization in the values of market economics and rationalized bureaucracies. Students and faculty were, for example, active in designing privatization schemes for state-owned enterprises.³⁸ In place of the bureaucratic old guard inculcated in the values of a centrally controlled economy, graduates of these programs should have been the phalanx in the fight for a free Somali economy. But by the time they were ready to use their skills, their country was engulfed in an armed struggle, not over economic ideology, but over political power.

The issue of public management illustrates a central dilemma of donor efforts to launch large development programs on a fragile economic and institutional base. Initially, donors harbored unrealistic expectations of the ability of the Somali government to implement projects. Donors wanted too much, too soon from a government with limited technical competence and already on the verge of bankruptcy. All development projects that depended on funds from the Somali treasury or on a trained Somali technical cadre, experienced serious setbacks. To get around these difficulties, donors began to provide their own counterpart funds and train their own project personnel. But this took away Somali responsibility for their own development. The Somali elite came to view development projects, not as a joint contribution to the public good, but as a foreign-funded channel for personal enrichment. Since decisions, whether by the government or the donors, came from the capital city, the ordinary people had little stake either in financing local development or in determining development policy.

Yet, hope persisted. There were signs of productive growth within some areas where project directors took personal pride in making projects succeed.⁶⁹ A large cadre of Somalis were being trained to take up development leadership. Economic indicators for the 1984-1986 period showed an upturn and seemed to promise that further progress was possible if Somalia's economic structure could be freed from Siyaad's patrimonial grasp. The economic future of Somalia, despite the obstacles and setbacks, could only be achieved through financial equilibrium, economic growth, and improved institutional capacity.

Notes for Chapter Three

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⁶ World Bank, *Memorandum on the Economy of Somalia*, March 1981, 9.

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¹⁰ *Somalia: Recent Economic Developments and Medium-Term Prospects*, 2.

¹¹ International Monetary Fund, *Somalia: Recent Economic Developments*, 1983, 19.

¹² *Somalia: Report of a Joint Technical Cooperation Assessment Mission*.

¹³ World Bank/International Development Association, *Annual Report*, 1968, 18.

¹⁴ Conversations with World Bank officials.

¹⁵ *Memorandum on the Economy of Somalia*, 25-34.

¹⁶ International Monetary Fund, *Somalia: Staff Report for the 1982 Article IV Consultation, Review Under Stand-By Arrangement and Program for 1983*, 5 and 6.

¹⁷ Somali Democratic Republic, *Five-Year Development Plan 1982-1986* (Mogadishu, Ministry of National Planning, August 1982), and International Monetary Fund, *Somalia: Recent Economic Developments*, April 1984, 33-34.

¹⁸ Somali Democratic Republic, *National Development Strategy and Programme* (Mogadishu: Ministry of National Planning, September 1985) and International Monetary Fund, *Somalia: Staff Report on 1986 Article IV Consultation*, August 1986, 4-7.

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- 27 World Bank, *Somalia: Policy Paper Framework*, April 1989, 6.
- 28 World Bank, *Somalia: Crisis in Public Expenditure Management*, March 1991, Vol. II, 83.
- 29 *Policy Paper Framework*, 6.
- 30 *Policy Paper Framework*, 6.
- 31 U.S. Agency for International Development, Somali Mission (USAID-Somalia), *Country Development Strategy Statement*, FY-82, 52.
- 32 *Policy Paper Framework*, 8.
- 33 Roger Poulin, *A Study of Recurrent Costs of Development Prospects in Somalia*, (Mogadishu: USAID-Somalia, 1987), 5.
- 34 *Policy Paper Framework*, 9.
- 35 *Crisis in Public Expenditure Management*, Vol. II, 5.
- 36 *Crisis in Public Expenditure Management*, Vol. II, 5.
- 37 Poulin, 12.
- 38 Somalia Democratic Republic, *National Development Strategy and Programme* (Mogadishu: Ministry of National Planning, March 1987).
- 39 Conversations with officials of the International Monetary Fund.

- ⁴⁰ *Report and Recommendation on a Proposed IDA Credit in Support of a Second Agricultural Sector Adjustment Program*, 4.
- ⁴¹ *Crisis in Public Expenditures Management*, Vol. I, 9.
- ⁴² International Monetary Fund, *Somalia: Recent Economic Developments*, May 1986.
- ⁴³ International Monetary Fund, *Staff Report for Article IV Consultations*, August 1987.
- ⁴⁴ *Report and Recommendation on a Proposed IDA Credit in Support of a Second Agricultural Sector Adjustment Program*, 5.
- ⁴⁵ *Report and Recommendation on a Proposed IDA Credit in Support of a Second Agricultural Sector Adjustment Program*, 5.
- ⁴⁶ *Agricultural Sector Survey, Main Report and Strategy*, i.
- ⁴⁷ International Monetary Fund, *Recent Economic Developments*, May 1988, 7.
- ⁴⁸ *Agricultural Sector Survey*, 12.
- ⁴⁹ *Agricultural Sector Survey*, 14.
- ⁵⁰ *Agricultural Sector Survey*, 15.
- ⁵¹ *Agricultural Sector Survey*, 24.
- ⁵² *Crisis in Public Expenditures Management*, Vol. II, 83.
- ⁵³ *Agricultural Sector Survey*, 19-21.
- ⁵⁴ Conversation with officials of the Agency for International Development.
- ⁵⁵ Agency for International Development, *Somalia: Evaluation Summary, Policy Initiatives and Privatization*, May 1989.
- ⁵⁶ *Agricultural Sector Survey*, ii.
- ⁵⁷ *Policy Paper Framework*,
- ⁵⁸ *Agricultural Sector Survey*, 50.
- ⁵⁹ *Agricultural Sector Survey*, 50.
- ⁶⁰ *Crisis in Public Expenditures Management*, Vol. II, 67.
- ⁶¹ USAID-Somalia, *Country Development Strategy Statement*, 1978, 1.
- ⁶² "Improving the Efficiency of Educational Systems (IEES)," *Somali Civil Service Study*, July 1984, 5-6.
- ⁶³ *Somali Civil Service Study*, 3-13 and 14.
- ⁶⁴ Poulin, 15-16.

⁶⁵ Somalia Democratic Republic, *National Development Strategy and Programme* (Mogadishu: Ministry of National Planning, April 1990).

⁶⁶ World Bank, *Somalia: Policy Framework Paper (1989-91)*, April 1989, 11.

⁶⁷ Conversations with Italian, American, and German aid officials. Banfield documented a similar commitment to "maximize the material, short-run advantage of the...family" among the Montegratesi of southern Italy and found their "family-centered ethos" a fundamental impediment to economic progress. Edward Banfield, *The Moral Basis of a Backward Society* (Chicago: The Free Press, 1958), 85 and 163.

⁶⁸ Conversation with officials of the Agency for International Development.

⁶⁹ According to World Bank officials, some Somali projects showed rather good performance records compared to efforts elsewhere in Africa. But the overall disarray in fiscal and monetary control and the lack of coordination and program consistency within the Somali government undercut these localized individual efforts.

Chapter 4

U.S. ASSISTANCE: THE SECURITY/DEVELOPMENT MIX

Bilateral donors each had a special history and a particular orientation in their assistance to Somalia. This was particularly true of the United States. From 1960 onwards, Washington was determined to make its mark in helping the new Somali state meet its development challenges. The 1969 revolution thwarted U.S. intentions until Mohamed Siyaad Barre made his switch from East to West in 1977. Because Siyaad was unwilling fully to withdraw from his Ogaden adventure, however, it was not until the 1980s that the United States re-engaged in significant economic development activity. When it resumed assistance again in Somalia, the United States did so for national security interests. The link between security and development gave U.S. bilateral assistance a peculiar dimension. If U.S. aid was unique among bilateral programs in Somalia because of its security motivation, it was also the most consistent in supporting the agenda of the World Bank and International Monetary Fund (IMF). The United States joined four Bank-sponsored multi-donor projects and consistently tailored its studies and technical assistance to IMF/World Bank themes. U.S. counterpart currencies and grants to the foreign exchange auction gave critical mass to donor reform efforts during the 1980s. The foundations of the U.S. aid story, however, were laid down in the 1960s.

The Early Years

When Somalia became independent in 1960, the United States welcomed with unusual enthusiasm the creation of the new republic. Recognizing the striking advance in self-government which Somalia had made as a trust territory, the United States had co-sponsored a resolution in the U.N. Security Council advancing independence by six months. On Somali independence day, the U.S. representative in the Security Council commended Italy and the United Kingdom for "their aid in furthering the aspirations of the Somali people."¹ Given the tendency to see new African republics through the prism of its own constitutional experience, the United States was particularly pleased to see in Somalia the political amalgamation of formerly divided colonies.²

The United States recognized that Somalia's major problem would be in the economic field and offered to assist the new country to maintain economic stability and to achieve a proper level of development.³ Those remained the U.S. goals in Somalia throughout the 1960s. The Agency for International Development (A.I.D.) recognized in Somalia's livestock and dry lands a development challenge for U.S. expertise. By 1967, A.I.D. had budgeted \$4.7 million in agricultural services and \$2.1 million in water resource development for Somalia. A.I.D. still considered the building of infrastructure to be a valid development objective. Some \$10 million appeared in the 1968 fiscal year congressional presentation for a project to build a port at the southern town of Kismayo. Another A.I.D. objective was human resource development and public management training. A.I.D.'s 1968 program for Somalia included four different projects with this focus, including a \$4 million investment in Lafole Teachers' College.⁴

In the pre-Vietnam era of nation-building, police training through A.I.D.'s Public Safety Program was a valued tool in development. In Somalia, U.S. support for police training won high marks and was long remembered by Somalia's policemen. A.I.D.'s FY '68 program for Somalia had \$4.4 million reserved for public safety programs.⁵ However, the United States refused to provide military assistance to the newly formed national army, in part because of a desire to limit military assistance programs in Africa and to concentrate on nation-building, and in part because of sensitivity to the opinions of Somalia's neighbors, Ethiopia and Kenya, whose territory was the object of Somali irredentist claims.⁶

The development challenges that Somalia posed, coupled with the political will to help the new republic achieve a proper level of

development, made the U.S. assistance effort to Somalia in the 1960s a growth industry. The total A.I.D. budget for fiscal year 1968 came to \$30 million. In 1967, there were forty-some A.I.D. officials and contractors resident in the country, with over 100 additional temporary duty personnel supporting A.I.D.'s programs in Somalia.⁷ Reading between the lines, one can assume that the Soviet military assistance program may have stimulated the United States to counter with a significant development assistance program. If the Soviets would give arms, the United States would outdo them by giving what Somalia really needed—development assistance.

However, Siyaad's revolutionary regime was making things progressively uncomfortable for the Americans. Beginning in 1969, it kicked out the Peace Corps, then declared a number of diplomats *persona non grata*, castigated American policy as imperialism in the official press, and, as the last straw, permitted Somali flagged vessels to carry Soviet arms to North Vietnam.⁸ By the time Somalia signed its Treaty of Friendship with the Soviet Union in 1974, the United States had shut down assistance programs except for the provision of PL 480 Title II emergency food. The U.S. Embassy, reduced to a minimum size, worked under the constant gaze of Siyaad's National Security Service agents. For American diplomats, Mogadishu had the closed, hostile air of Eastern Europe.

Getting Back into the Development Business

Memories of those hostile days made it difficult for many in the State Department to acknowledge Siyaad's plea for help when the tables were turned in the Ogaden War. Politically, Siyaad's record was a heavy burden that resulted, not surprisingly, in an anti-Somali bias. State Department officers felt that U.S. personnel and U.S. interests had been abused by that "arrogant socialist" Siyaad.⁹ At the same time, on the development side, A.I.D.'s experience had been rather positive. In the 1960s, demonstrable progress had been registered in various development programs. Even in the early days of Siyaad's revolutionary regime, A.I.D. officials felt they were doing useful things for the people in the countryside and were not happy when political exigencies brought to a halt over a decade of development effort.

But if development programs had been curtailed for political reasons, they were also to be reinstated for political reasons. The first of these was U.S. concern about the Soviet build-up in the Horn. In early July 1977, Secretary of State Cyrus Vance stated that the

United States would "consider sympathetically" appeals from states which were threatened by a buildup of foreign military equipment and advisers on their borders in the Horn and elsewhere in Africa."¹⁰ Initially, this apparent willingness to confront the Soviets in the Horn was thwarted by Siyaad's invasion of the Ogaden, an action contrary to long-standing U.S. support for territorial integrity in Africa. Other events were to occur, however, to cause the United States to forsake in the Horn its long-standing policy of "keeping the cold war out of Africa."¹¹

Sources of U.S. interest. Oil was the catalyst of this policy change. The oil embargo of 1973 demonstrated that the United States had lost control of Middle East oil resources and would have to engage politically with Arab states to retain its long-term access. But by 1977, there were credible reports that the Soviet Union's own oil resources were declining.¹² Soviet expansion into the Horn and the Gulf of Aden looked to some U.S. experts more like a strategic move to encircle Arab oil rather than a mere response to the target of opportunity that a revolution in Ethiopia had presented. Then came the Iranian Revolution, the hostage crisis, the Iran-Iraq War, and the culmination of Soviet adventurism in the December 1979 invasion of Afghanistan.

These events clearly indicated that a strengthened U.S. presence in the vulnerable but vital region was in the national interest. The United States extended to Southwest Asia its global policy of deterrence—to counter and contain Soviet expansion. After deciding his strategy in December 1979, President Jimmy Carter used his January 1980 annual message to Congress to outline the new policy.

Events in Iran and Afghanistan have dramatized for us the critical importance for American security and prosperity of the area running from the Middle East through the Persian Gulf to South Asia....Twin threats to the flow of oil—from regional instability and now potentially from the Soviet Union—require that we firmly defend our interests....Whether in the Horn or in other areas of the continent, we will also provide to friendly nations security assistance when needed for defense of their borders.¹³

Under the revised approach, the United States sought to engage the Somali state in a new partnership, not grounded on developmental objectives this time but on security and political goals presumably shared by the two countries. It was a most ambiguous relationship from the start, as illustrated by the time it took to negotiate a military facilities agreement—something both sides

wanted for their own security purposes.¹⁴ For the Somali state, the security goal was not only to counter the threat from Ethiopia, backed by massive Soviet and Cuban military assistance, but also to hold on to the dream of territorial unity among Somali homelands. Siyaad kept Somali forces operating in parts of the Ogaden through 1980, despite the loss of Soviet backing and the lack of substitute aid from the West.¹⁵ Siyaad's political goal was to preserve and reinforce his regime against both growing disenchantment within Somalia and the ethnic insurgencies operating out of Ethiopia.

U.S. security objectives. For its part, the United States sought three different, not fully coincident security objectives from the Somali partnership. The first was to counter Soviet expansion in the Horn by demonstrating its willingness to get involved on the African continent "without building up threatening forces."¹⁶ The second was to guard the Straits of Bab al Mandab, expanding projection of U.S. power in the Persian Gulf area into the Gulf of Aden and the lower Red Sea. The third security objective was to provide rear-echelon support for the operations of the U.S. Rapid Deployment Force whose mission was to respond to crises in West Asia.¹⁷ U.S. policy formulations never fully synchronized these objectives, each of which required different kinds of deployment and support facilities. Instead, the United States carried out limited programs for each: a low-level U.S. military presence in Somalia providing defensive military materiel and occasional training exercises; no permanent basing in Berbera but periodic visits from ships or aircraft; and, support for the Rapid Deployment Force confined to refueling stations in Berbera and Mogadishu.

These inchoate security objectives were also circumscribed by the reluctance of the State Department and some personalities of the Carter Administration to make security the capstone of U.S. policy in Africa. Strong voices were still arguing that, as in the 1960s, the best way for the United States to counter the Soviets in Africa was to play its development hand. Uncertainty about whether Siyaad could be trusted to stay out of the Ogaden added to U.S. reluctance to launch a security relationship. For this reason, concrete military assistance to Somalia was slow in coming after the military facilities accord was signed. Two things changed that picture. First, the policy leadership in the Reagan Administration fully embraced the security dimensions of U.S. relations with African states; and, in line with Reagan's policy, the new team at the State Department believed it was important to confront the Soviets in Africa. Second, when Ethiopian army regulars followed Somali Salvation Democratic Front (SSDF) insurgents into Somalia and occupied two border towns in the July 1982 crisis, the United States rushed arms

to Somalia in a highly publicized airlift to prove its credibility as a security partner.

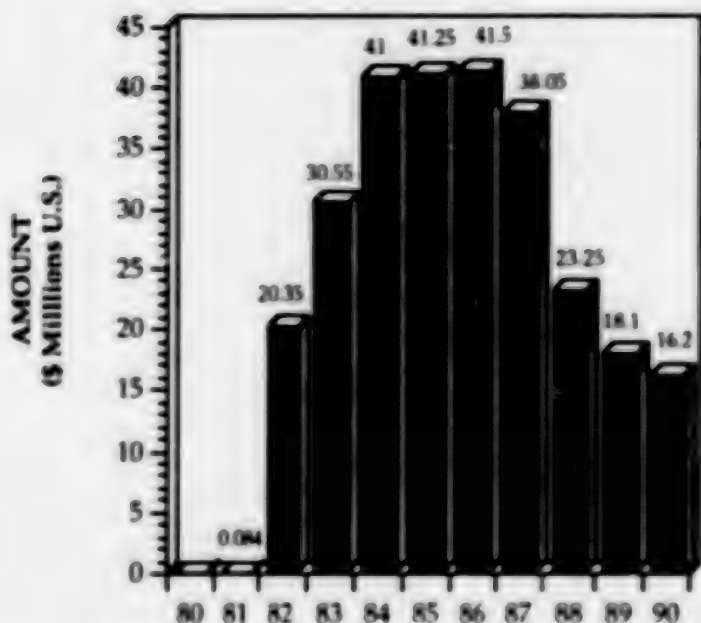
Assistant Secretary of State Chester Crocker carefully drew boundaries around the new security relationship as he explained the U.S. rationale for the arms airlift. "The United States has limited our military assistance to Somalia to quite modest levels, geared to the defense of internationally-recognized Somali territory."¹⁸ Crocker saw security in the region threatened from the Ethiopian side. "African security is not served if Soviet arms, Cuban reserve forces, and Libyan money and arms are combined to overthrow legitimate governments in the Horn," he stated. The assistant secretary asserted that the United States was not prepared "to countenance subversive action and armed aggression against our friends in the region." At the same time, he pointed out that the United States was searching for "a wider basis for resolution of the tensions in the region," including promotion of a *modus vivendi* among countries in the area and support of comprehensive economic programs for Sudan, Kenya, and Somalia.¹⁹

Dimensions of U.S. security assistance. Figure 1 shows the evolution of U.S. military aid requests for Somalia in the 1980s. Following the build-up in 1982, Reagan Administration annual requests for Somalia moved up toward \$40 million, giving credence to the view that there was an informal understanding between the United States and Somalia that access to Somali facilities would bring Somalia approximately that amount in annual military assistance. (In the best of years, annual outlays were typically below the proposed levels—\$33 million in 1984 or \$34 million in 1985, for example, compared to \$41 million proposed for each year.) Requests and allocations dropped markedly after fiscal year 1988 when Congress, in the waning days of the Cold War, began cutting security assistance appropriations for peripheral regional areas.

Most significant about the military assistance allocations, however, is how the money was spent. In the first eight years of U.S. military assistance, air defense took the largest amount of the program allocations—\$32 million, used largely to purchase U.S. radars for monitoring the borders with Ethiopia. The next largest allocation, \$24 million, went for maintenance and spare parts. This category included repair of existing Soviet radars, an expensive undertaking that incidentally familiarized Americans with Soviet equipment. Maintenance funds also rebuilt a captured "Swift Ship" and repaired Soviet patrol boats, an expensive technical undertaking that got the ships' motors turning again but never had the boats seaworthy for long, much to the relief of the landlubbing Somali

FIGURE 1.

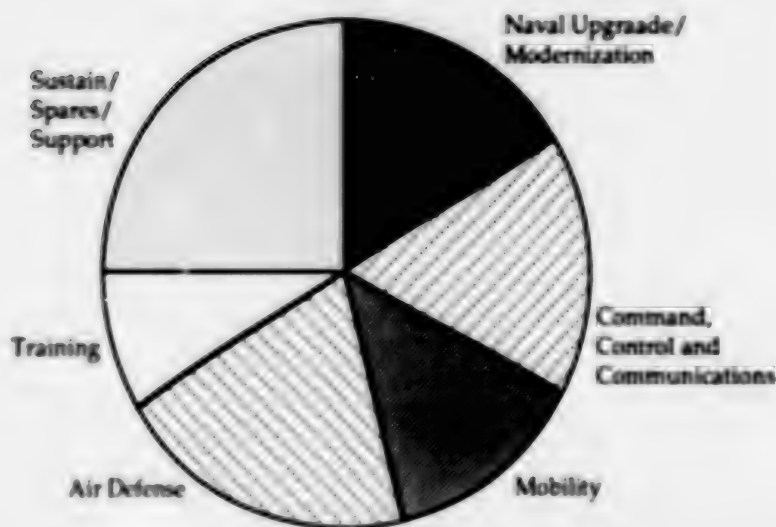
U.S. Military Assistance to Somalia, 1980 - 1990 (Fiscal Year Proposals)



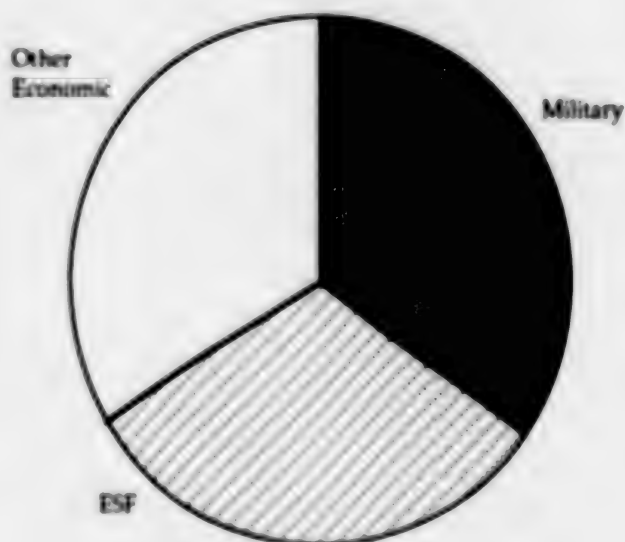
Source: Congressional Presentation for Security Assistance Programs, 1980 - 1990.

navy. Providing the Somalis with two-ton trucks and jeeps for mobility along the border ate up \$22 million in security assistance funds. TOW missiles, used effectively in border skirmishes against Ethiopian tanks, cost some \$18 million. The Command, Control Communications Center ("Peace Cube") was equally expensive. A glossy, high-tech item, it had been built by the United States at the personal request of the Somali minister of defense, who wanted an imitation of the installation he had seen at U.S. Central Command (CENTCOM) headquarters. It came in much over budget after a six-year effort and could be used only in the last two years of Siyaad's rule.²⁰ An annual military assistance budget (see Figure 2) would cost about a third of total U.S. assistance outlays. Within the military budget, once big-ticket items were funded, the remainder would cover spare parts, small arms and recoilless rifles, uniforms, and costs of logistics and maintenance training teams.²¹

FIGURE 2.
Fiscal Year 1988 Proposals



MILITARY PROGRAM: \$23.3 MILLION



TOTAL PROGRAM: \$68 MILLION

Throughout the decade, the Reagan Administration carried forward the Carter-era formula of "modest defensive assistance" as the appropriate strategy for U.S. military aid. As the 1985 Security Assistance Proposal to Congress stated, military assistance was "limited to defensive materials and training."²² Siyaad used to tease his American visitors for believing that "if you give a Somali a gun, he will go out and shoot an Ethiopian." The Somali president was not far from the mark. The United States purposely spent its military assistance on high-tech items that gave Somalia a modest capacity to defend itself without increasing its ability to strike again against its neighbors. The amount of military assistance and how it was allocated was not consistent with the high policy goals of expanded regional security that graced each congressional presentation on security assistance to Somalia. To meet the stated goals, listed below, would have required larger budgets, a broader inventory of materiel, and a more comprehensive refashioning of Somali military structure and mission.

- Enhance cooperative defense and security;
- Preserve U.S. access to Somali military facilities;
- Counter East-bloc expansionism in the Horn of Africa;
- Enhance national stability and progress;
- Encourage economic reform.²³

The use of ESF. The last goal in the above list had nothing to do with support for Somalia's military but referred to the other side of the security assistance package: Economic Support Funds (ESF). The United States allocated ESF to Somalia, as it did elsewhere in the world, because of the security relationship; in the U.S. view, these funds rewarded Somalia for the access to military facilities that the United States enjoyed. But ESF, by design, were not fungible for security needs; in Third World countries, economic support is generally directed toward development efforts. In Somalia, special care was taken to incorporate ESF into development projects and programs, making it an integral part of A.I.D.'s development strategy.

What Siyaad's regime most desired, however, was military assistance in support of Somali security concerns on a scale approaching previous Soviet aid; the U.S. high-tech, high-cost defensive equipment hardly fulfilled that desire. Nor did generous ESF placate Somali leadership, who saw ESF grants as part of the development assistance relationship, not as a contribution to

Somalia's security. Thus, those who advocated using development aid as the means to express U.S. interest in Somalia essentially won the argument. Even though the top U.S. interest after 1980 related to security issues, U.S. funding for development (buttressed by ESF) far outweighed military assistance (see Figure 3).

In the early 1980s, ESF for Somalia went in large part to cover deficits in the balance of payments through instrumentalities like the Commodity Import Program or the foreign exchange auction of the World Bank's Agricultural Sector Adjustment Program. As development assistance funds dwindled in the last part of the decade, ESF increasingly covered the budget requirement of ongoing projects. It was the ESF grants that gave significant weight and dimension to U.S. development assistance to Somalia. The development agenda thus determined the use of ESF aid and controlled its effect on the economy and its impact on the bilateral relationship.

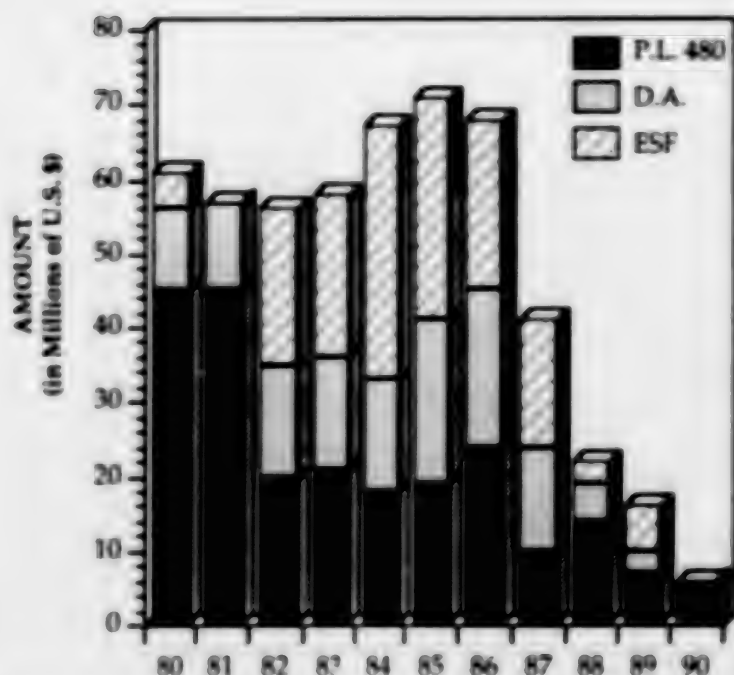
Above all the Somali leadership sought the comfort and guarantee of a security relationship from the United States. But what they got out of the relationship was modest assistance with defensive military equipment and a hefty injection of funds into a development program. That program, well-intentioned and carefully conceived, confronted internal operational problems and external constraints. A review of these problems and constraints illustrates the dimensions and complexities of U.S. development efforts in Somalia.

Issues in Development Assistance

U.S. development assistance to Somalia in the 1980s was, in orientation, a carry-over from the 1960s development program: the emphasis was still on agriculture, infrastructure—especially the Kismayo port, livestock, public health, and human resource development. The differences between the A.I.D. program of the 1960s and that of the 1980s were twofold. First, the program during the 1980s had a sharper conceptual focus in accord with the emphasis of the IMF/World Bank on economic reform, promotion of economic growth through market forces, and enhancement of state competence to manage the economy. Second, this program had a larger dimension and weightier impact due to the infusion of ESF and commodity assistance. Whereas top assistance levels in the 1960s reached around \$30 million, development assistance to Somalia in the 1980s doubled that amount for seven years (see Figure 3).

FIGURE 3

Non-Military Assistance to Somalia: 1980-1990



Sources: A.I.D. Congressional Presentation and Summary Tables, FY 1982 - 1993, and Congressional Presentation for Security Assistance Programs, FY 1982 - 1990.

Agriculture sector. In line with World Bank orientation, U.S. assistance strategy in the 1980s recognized the agriculture sector as the backbone of the Somali economy and society. It was the country's major source for exports as well as the basic economic activity of most Somali families. In the 1980s as in the 1960s, U.S. development assistance concentrated on the agriculture/livestock sector, which accounted for approximately 90 percent of Somalia's gross product. After the Ogaden War, projects in agricultural assistance were mostly multi-donor efforts; A.I.D. financed technical assistance and commodities for each one.

In its initial assessment of post-Ogaden Somalia, the A.I.D. mission in Somalia saw little room for agricultural improvement in the short term, but recognized Somalia's potential for self-sufficiency in food production in the long run. A.I.D. strategists were

convinced that agriculture had a comparative advantage over all other sectors: near-by markets in the Middle East, plenty of land, two major river valleys with vast irrigation potential, and production levels that could only improve.²⁴ The problems in productivity included inadequate knowledge of modern farming methods, insufficient availability of agricultural inputs, such as fertilizers and seeds, and a price structure that favored urban purchasers rather than rural producers. A.I.D. believed that the potential output of the agricultural sector was two to four times its 1978 output.²⁵

In 1978, the Somali government asked the United States to undertake an immediate action program designed to have a direct impact on agricultural production. A.I.D. responded with its Agricultural Extension, Training and Research Project, an effort based on an existing "minimal technology" technical package developed by the World Bank through research done by Wyoming State University in the 1960s. The project aimed to design and build an extension education delivery system; provide training for the Somali extension staff; assist the Somali extension staff in planning and conducting training for farmers; and package technical information to increase food production.²⁶ In 1979, A.I.D. initiated a similar project, Agricultural Delivery Systems, a grant to upgrade agricultural management, extension and training in Somalia by building an institutional base for delivering technological information and training to farmers.

The Central Rangelands Project, also begun in 1979, was another multi-donor project in which A.I.D. participated. The goal of this project was to implement a system of range management that would optimize livestock production while slowing down desertification.²⁷ Livestock production totaled 40 percent of Somalia's GDP on average between 1979 and 1989 and approximately 60 percent of Somalis were employed in livestock management. The Central Rangelands Project, the largest multi-donor effort to address the needs of the livestock sector in Somalia, was located in the most potentially productive range area. A.I.D. contributed technical assistance, participant training, commodities, and water development as its share of the project. Originally a six-year scheme, the project was extended another three years in 1985 because time-lags in implementation, security concerns, and procedural differences between the Somali government and contributing donor agencies had delayed the project. Many of the adjustments required in the second stage related to incorrect assumptions in the original project design.

In a 1985 audit report of five agricultural projects in Somalia, including those mentioned above, the A.I.D. Office of the Inspector

General found that the A.I.D. mission in Somalia had a very difficult time implementing the project agreements because of major design defects, problems with multi-donor coordination, and lack of Somali financial and management support. It found all five of these projects behind schedule; virtually none of the planned accomplishments had been realized. The audit recommended that the assistant administrator for Africa, along with the A.I.D. mission, reassess each of the projects with a view towards deobligating funds for those that had little prospect of meeting their planned goals. Despite the critical review, the A.I.D. mission felt that the projects should be allowed to continue as scheduled and was optimistic about the prospects for success.²⁸

According to the audit report, the project designs of these multi-donor efforts led by the World Bank were based on faulty assumptions and overly optimistic goals. Eager for access and wanting to demonstrate support for an "ally" in the Horn of Africa, the U.S. government had sought quickly to launch a development effort. Under pressure to produce, A.I.D. failed to evaluate the projects thoroughly, assuming that the World Bank-sponsored program was workable and realistic.

In fact, the training and visitation method of extension, upon which both the Agricultural Extension, Training and Research and the Agricultural Delivery Systems projects were based, was inappropriate for Somalia because of the size of the country, its poor infrastructure, the high cost of fuel and the shortage of skills and facilities for vehicle maintenance. The project designers also failed to estimate accurately the time required to implement certain aspects of the projects. For example, five years into the Agricultural Delivery Systems Project, the training facilities had not been completed. Poor World Bank planning and A.I.D.'s almost unconditional acceptance of the project designs wasted resources, delayed implementation, and achieved minimal results.²⁹

These shortcomings occurred despite high-level donor coordination in planning. In line with agreements reached in metropolitan capitals, at Paris roundtables, and in Mogadishu, development sectors were parcelled out among donors; the United States focused on leadership in agriculture, health, and training.³⁰ Within the sectors of choice, the coordination mechanisms remained intact as the United States sought to provide technical assistance and commodity support as well as "a carefully-integrated blend of policy dialogue, program assistance and project assistance."³¹

But, at the project implementation level, coordination fell down. Poor timing of inputs undermined effectiveness; miscommunication or misjudgment by one party in the process set off a chain

reaction that severely hindered project sustainability. For example, as part of the Central Rangelands Project, the International Fund for Agricultural Development delivered vehicles in Somalia two years before the A.I.D.-financed maintenance and repair programs were in place. In the Agricultural Delivery Systems Project, World-Bank-financed housing and training facilities for the U.S. technical assistance team were still being built six years after the project commenced.³²

There was little joint project supervision; copies of individual supervisory reports were not shared among the project donors. Nor were there joint evaluations; each donor evaluated its particular part of a multi-donor project without reference to other donor initiatives. This resulted in unilateral changes of inputs, often exacerbating the timing problem. Coordination from the top down without sufficient follow-through at the field level proved a further burden to development efforts. The donors failed to build a stable operational base at the local level to support their coordinated general strategy. Although A.I.D. had correctly identified the agricultural/livestock sector as a sector of significant development potential, the shortcomings of design and implementation within large multi-donor projects ensured the projects' failure.

Health sector. In the early 1980s A.I.D. identified health as an area of dire need in Somalia. Although never actually precisely calculated, the economic importance of lost work days due to ill health and premature death in Somalia was judged high. The infant and child mortality rate was estimated to be 170 deaths to 1,000 births, significantly exceeding the average for other low-income countries in Africa. Measles, diarrhea, and respiratory infections were the leading killers of Somali children. Somalia was also plagued with one of the world's most severe tuberculosis problems.³³ The life expectancy for the average Somali was estimated to be forty-one years. The average for East Africa as a whole was fifty.³⁴ Ineffective rural health care, inadequate quality and quantity of water, and poor nutrition were some of the causes of Somalia's health plight.

A.I.D. saw potential in a country-wide primary health care network based on the model of the Refugee Health Unit (RHU) in Somalia. With multi-donor funding, the unit's program during the early 1980s succeeded in bringing infant and child mortality rates down below the national average. The RHU did not extend past the refugee camps, however. Project designers estimated that 85 to 90 percent of the rural and nomadic population (which comprised 70 percent of the total Somali population) were not being reached by

the health care system.³⁵ Over 50 percent of all medical care as well as 75 percent of all doctors in Somalia were based in Mogadishu.³⁶

In 1979, through its Rural Health Delivery Systems Project, A.I.D. proposed a primary health care model which the Somalis incorporated into their Five-Year National Health Plan, 1980-1985. The project agreement was the first to extend primary health care to rural areas outside the camps.³⁷ A.I.D.'s objective was to reorient Somali health services from a curative approach, based in urban hospitals, to a preventative-primary health care approach focusing on health education, home visits, and clinical care in rural areas. The preventative measures taught by the primary health care staff—the promotion of hygiene, proper breastfeeding practices, safe water and good nutrition—were combined with community education and health promotional activities. The Rural Health Delivery Systems Project was also designed to complement the system of traditional medicine already in place in the country. Although this concept was incorporated into Somalia's five-year plan as a government priority, the majority of the Ministry of Health's budget continued to go into hospital care.

The Rural Health Project assumed that community mobilization would create a lasting demand for primary health care. The project concluded that, "workers paid by and responsible to the community would create a durable residual system" which could be "sustained even in hard times."³⁸ Implementation ran into trouble, however, because project designers did not assess the compatibility of the project to the Somali development context. Specifically, the Rural Health Delivery Systems Project lacked an adequate assessment of health care manpower problems. Most of the trainees were young unmarried urban women who could not handle the isolation, economic difficulties, and harsh conditions of rural life. The graduates of the training program had not been given practical field experience. Thus, those sent to the field were unable to train the village health care staff effectively.³⁹ It was also difficult to reorient those trained in curative medicine to preventative health care. Abandonment of posts became a crippling obstacle; the government resorted to threats and actual imprisonment to retain staff.

In 1984, A.I.D. added Family Health Services to its Somali project portfolio, becoming the only major donor funding population and family planning. The long-term goal, like that of the Rural Health Delivery Systems Project, was to improve the quality of life of the Somali population through strengthening Somalia's institutional capabilities to promote, coordinate, and sustain family health programs. The project taught child spacing as a means to reduce

infant and child mortality and to promote good reproductive health. A.I.D. began this project aware of local sensitivities regarding population control and family planning but hoping that the prospect of better health for themselves and their children would convince Somali couples to adopt modern methods of contraception.⁴⁰

In one important area, Family Health Services was a great success. The Ministry of Health issued a statement to the Somali people that female circumcision was not required by the Koran. Eventually an edict was issued prohibiting female circumcision in government facilities, placing Somalia far ahead of most Muslim nations on this issue. In general, family planning also ceased being a taboo subject among the Somali elite.⁴¹ It is not possible, however, to make any long-term assessment of the project's effect on population growth. Civil war did much more than any family planning program to reduce Somalia's population.

Manpower training. All assessments of Somalia in the late 1970s found the country plagued by a severe shortage of skilled manpower. Somalia's socialist policies of the period guaranteed employment to all secondary school graduates (regardless of skill), imposed hiring quotas in most ministries, and kept salaries unreasonably low. Since socialist doctrine discouraged private investment in manufacturing or services, many skilled workers emigrated to the Gulf states where jobs were available and salaries were significantly higher. The result was a shortage of mid-level managerial and technical manpower, further holding back development efforts.⁴²

To help overcome this problem, A.I.D. sought to expand advanced technical education and managerial training. The strategy also encouraged the privatization of parastatals and the initiation of public-sector policies that would attract talented workers to fill Somalia's managerial and technical positions. The A.I.D. mission in Somalia emphasized short-term manpower and institutional needs in sectors such as agriculture and health, complementing World Bank programs that focused on an overall improvement of Somalia's formal education system.⁴³

Between 1979 and 1986, A.I.D. sent 150 Somalis to the United States for bachelor's, master's, and Ph.D. training, and 200 Somalis for short-term, non-degree training courses. Unfortunately a 1986 study of A.I.D. training efforts revealed a poor record.⁴⁴ According to the study, the length of the training was excessive, causing delays in project implementation and exorbitant costs. Most disturbing, however, were the return rates of the participants per project. In one program, only 31 percent of the participants trained abroad

returned to the duties for which they were trained. Only one project had a return rate above 67 percent.

The review left a serious question as to whether the \$21 million spent on participant training in the five projects covered in the study really helped Somalia. In the African Management Development Program, for example, for every three people sent to the United States for a master's degree at a cost of \$40,600 per person, only one returned to contribute to Somali development; two were completely lost to Somalia. Although that program is an extreme example, it illustrates a trend—and that trend should have been picked up much earlier before participant training became a key component of A.I.D.'s Somalia strategy. The study suggested that the training programs have "not always been based on rational calculations of the specific needs of the country, nor those of the projects concerned. Moreover, there have not been adequate attempts to evaluate the effectiveness of the training programs."⁶⁵

Once again, U.S. assistance strategy was right to focus on human resource development, but project designers underestimated the significance of the local developmental environment: harsh living conditions, low wages, and unchallenging employment opportunities. Those who participated in training outside of Somalia, especially those who came to the United States, saw a more rewarding life. Participant training programs thus often provided the escape route for the brightest and most competent Somalis, who saw their ability wasted in their homeland. Following the 1986 study, adjustments began to address the return rate problem: training in other Third World countries, greater in-country training at lower levels, and even withholding degrees to those trained abroad until they returned to Somalia. A.I.D. perceived, however, that only significant and enduring domestic reforms would remedy the structural causes of the problem. Reform efforts had not yet borne fruit when, in 1988, Somalia collapsed in civil war, leaving a significant part of its trained elite working abroad.

Moving toward policy reform. As noted above, U.S. assistance in the 1980s gained force and significance through the funding weight of commodity assistance and ESF. By the mid-1980s, A.I.D. was using food imports under PL 480 and a Commodity Import Program (CIP) as well as ESF sector grants to shift its development focus away from technical support to large grants spurring policy reform in various sectors. The PL 480 and CIP programs were designed to provide short-term, balance-of-payments relief, ease the foreign exchange situation, encourage policy changes and generate local currency for development projects. Counterpart

currency generated by the PL 480 and CIP programs helped fund the local component of both U.S. and multi-donor development projects.⁴⁶

The CIP was first used in 1981 to support the IMF reform program. To help address Somalia's severe budget deficit, A.I.D. made Somali government fulfillment of IMF agricultural price policy, interest rate, and exchange-rate initiatives a condition for the release of CIP-generated funds. While PL 480 proceeds helped cover the local costs of development projects, CIP was designed to provide immediate relief for the regular Somali state budget. Local currency proceeds from CIP were also tied to government implementation of a new salary policy to remedy civil service problems caused by poor retention of quality workers and low production of government staff. A.I.D. hoped that budgetary assistance, leading to increased salaries, would enable the Somali government to attract more qualified personnel.⁴⁷

Imports under the CIP program were confined to products deemed necessary to resuscitate the agricultural sector. Imported products were sold under competitive bidding to the Somali private sector, although fuel imports went, perforce, to the Somali state petroleum company, which had monopoly rights over them. Imports of seed, fertilizer, tractors, and other farm machinery were credited with spurring agricultural production in the early 1980s. Somalia developed a new export crop in melons due to the CIP-sponsored import of U.S. melon seed. The CIP was also responsible for the renaissance of Somalia's private sector, which had been excluded from the import market by state controls. It remained one of the most popular and most effective U.S. development programs of the 1980s. Its main drawback was inadequate control of the counterpart funds generated by the sale of imported goods. On paper these funds were allocated to the national budget, but their actual use was poorly accounted for.

ESF grants were used to support projects not fully funded by A.I.D.'s development assistance budget, as budgetary support to particular development sectors, and especially to help fund the World Bank's foreign exchange auction under the first Agricultural Sector Adjustment Program (ASAP I). In all these cases, provision of the funds was tied to particular reforms. Given the failure of the donor agenda and the inability or unwillingness of the Somali government to uphold the reform conditions it had accepted, these ESF grants may be considered lost funds. However, the largest ESF grants in Somalia (\$39 million) went toward reconstruction of Kismayo Port under the Kismayo Port Rehabilitation Project.⁴⁸ Although the project had no policy reform conditions, it was a boon

to private-sector farming and the export of livestock, bananas, and melons. The project also provided the United States with high visibility development assistance undergirding the security assistance relationship. It is to be hoped that the effect of this one project will endure. Whatever the political tides in Somalia, the sea in Kismayo now washes a strong and useful port.

The largest U.S. commodity imports into Somalia came under the PL 480 program, including both a Title II grant for relief and development purposes and a Title I soft loan for the import needs of the general economy. In 1982, A.I.D. established a mechanism to govern the allocation, programming, and transfer of the counterpart funds. At the beginning of each calendar year, the A.I.D. mission director in Somalia and the Somali minister of finance were to sign a memorandum of understanding establishing parameters for the use of local currency and identifying specific projects to receive funds.⁴⁹ Written into each PL 480 agreement were a set of conditions, providing the United States with greater leverage to institute institutional and policy reforms: to provide adequate incentives to agriculture and livestock producers, to revitalize the civil service through increased salaries and incentives, to strengthen budgeting and planning institutions within the government, and to provide adequate credit, inputs, and marketing for agricultural produce and livestock.⁵⁰

In the mid-1980s, A.I.D., in another innovation, moved to an auction system as a means of distributing PL 480 commodities. It thereby initiated a market pricing mechanism for grain sales in a socialist country that had heretofore controlled both the farm-gate and the retail price of grain. Through the auction, the United States attempted to break the insistence of the Somalis on state-determined prices and to encourage reliance on normal market channels. Controls on the auction provisions and on reform conditions increased with each PL 480 agreement. As early as 1984, A.I.D. was requiring that one-third of PL 480 Title II grants be marketed through the private sector, the rest to be handled by the state grain marketing board, the National Trading Agency.⁵¹ By 1987, three-fourths of a similar Title II allotment would be auctioned to the private sector and the rest sold at import parity prices to government agencies.⁵² Whereas the 1984 proceeds went to a state development bank for a general credit program, the 1987 program had detailed allocations for sixteen projects. While the 1984 agreement carried no program conditions, the 1987 "self-help measures" included a study of the domestic rice industry and a revenue study of customs duties on food and commodities and ways to improve government budgeting procedures, especially for development activities.

Later in the 1980s, development projects became a key element in A.I.D.'s strategy to leverage policy reform. The Shabelle Water Management Project, designed to increase agricultural production in the Shabelle River basin, established several conditions for the release of funds for the project: better maintenance of the water management system, institution of water-use fees for maintenance, and provision of land tenure rights to small farmers. The 1990 extension of this project provided for land surveys and the institution of a land registration system.

Another effort promoting reform was the PVO Partners and Development Project, designed to strengthen links between international and Somali private voluntary organizations (PVOs) as well as upgrading Somali PVO capabilities to undertake development activities. The Livestock Marketing and Health Project attempted to support the expansion of Somali livestock exports by fattening and certifying the health of livestock at port-of-exit feed lots. This project sought to reinforce the cattle trade, a major part of the Somali economy and one that was still within the private sector.

As the United States confronted the economic challenge of Somalia during the 1980s, development policy changed emphasis from projects to policy reform in key sectors, from enhancing the capacity of governmental institutions to support for the private sector, and from training abroad to education programs in neighboring countries or Somalia itself. The U.S. assistance program in Somalia endured several rigorous evaluations during the 1980s and made a number of adjustments not only in general approach but in the specific techniques of aid delivery. Given time, would these changes of policy and approach have worked?

Had not the Somali state disintegrated, and had the U.S. assistance program persisted, projects and programs based on the experience of the 1980s might have been marginally more effective and certainly more efficient. But a comprehensive look at donor dealings with the Somali state in the 1980s suggests that operational problems with projects were caused by more than a harsh environment or organizational weaknesses. Somali authorities were never really in tune with the donor agenda and did not support the reform intent of projects designed to further that agenda. Even the projects which were most successful in meeting their specific development objectives did not diminish the determination of the Somali political elite to use state institutions, including development programs, to their own ends. Eventually U.S. concern about the accelerated misuse of development resources and the increasing autocracy of Siyaad's regime constrained development programming.

Constraints on Development Assistance

The high-tide of U.S. assistance to Somalia was the 1986-1987 period, during which the U.S. government dispensed approximately \$70 million in development aid and \$33 million in military assistance each year. Although the U.S. Embassy and the A.I.D. mission in Mogadishu harbored ambitions for a growing assistance relationship, by 1987 the U.S. Congress was cutting appropriations for military assistance and, to a lesser extent, development aid world wide. With growing commitments elsewhere, A.I.D. was reluctant to spend more from its Development Fund for Africa for what it considered to be the "political" program of Somalia. Fiscal year 1987 thus saw a precipitous decline in A.I.D. allocations for Somali projects, obliging the Embassy and A.I.D. mission in Mogadishu to tap ESF resources to cover the continuing costs of major projects. By fiscal year 1989 estimated costs for such projects included \$22.6 million for the Shabelli Water Management Project, \$18.5 million for the Somalia Management Training and Development (SOMTAD) Project, \$19.4 million for the Livestock Marketing and Health Project, and \$10.45 million for the Policy Initiatives and Privatization (PIP) Project. Of these Shabelli, SOMTAD, and PIP would require funding over the next several years.³⁷ As A.I.D. sought to rationalize its programs and cover its commitments in Somalia in face of dwindling resources, it had to confront several constraints that had not been so apparent or binding in more generous times. These included Somali malversation and misappropriation of development funds, the impact of human rights concerns on U.S. support, and the increasingly active interest of Congress in U.S. policy towards Somalia.

Use and misuse of assistance funds. A.I.D. was in the forefront of donors in using commodity and cash grant assistance to bring about economic and institutional reform. It also tracked more closely than other donors the flow of counterpart currencies through the Ministry of Finance to the respective development projects or programs. Although the A.I.D. effort was impressive, it could not fully control malversation. For example, despite A.I.D.'s best efforts to move commodity flows away from government warehouses into the private sector, the Somali authorities tried to manipulate commodity auctions and, in some cases, simply appropriated commodities for government institutions.³⁸ Although shillings used to buy these commodities were transferred to the Ministry of Finance where an A.I.D. team tracked disbursements to specific development projects, A.I.D. could not oversee purchases at the project

level. Over-invoicing, exaggerated costs for construction, or misappropriation of project equipment were but a few of the countless ways ministry and project officials skimmed off development investments. Funds from the CIP were put in the ordinary budget with only the most general accounting by the Ministry of Finance. Petroleum purchases under the CIP went to the state petroleum agency where Siyaad's clansmen appropriated the margin between the wholesale and the distributing prices. Finally, as already noted, unlimited credit at the Commercial and Savings Bank permitted the political elite to play the foreign exchange auction to their advantage, using unsecured notes to buy shillings and then to purchase foreign currency in a depreciating market for shillings. Even though A.I.D. made an extraordinary effort to keep Somalis from siphoning off development funds, U.S. development dollars undoubtedly constituted part of the wealth that Somali leaders acquired during the 1980s.

Human rights concerns. Since the revival of its relations with the Somali state in the late 1970s, the United States had been concerned about the country's human rights record. The U.S. Embassy's annual human rights report usually gave Siyaad a poor score. He held prominent intellectuals and former politicians, plus several hundred other political prisoners, in miserable prison conditions, and detention without trial, torture, and summary execution were not uncommon. Word of Siyaad's repressive tactics had contributed to the tentativeness of the State Department's embrace and to congressional reluctance about the budding security relationship. After the 1982 airlift, Siyaad wanted to come to the United States symbolically to formalize the bilateral partnership; the U.S. ambassador made it clear to Siyaad that such a trip would be extremely difficult unless there was evident progress in human rights. Siyaad got the message; shortly before making that visit to the United States in 1983, he released from prison former Prime Minister Mahammad Egal and former Police Chief Mahammad Abshire, both of whom had been detained since the 1969 coup.¹⁵

Human rights remained a concern throughout the 1980s. U.S. voices joined the growing chorus of concern over the continued imprisonment of former Vice President A. A. Abokor and Foreign Minister Omar Arteh. Release of imprisoned intellectuals like Professor Yunis became the object of massive letter campaigns. When Ambassador Frank Crigler took over in 1987, he publicly put human rights among top U.S. objectives. In presenting his credentials to President Siyaad, Crigler conveyed the U.S. intention to include "measures for protecting, preserving and enhancing the human rights of all persons, wherever they may be" among the

"opportunities for bilateral cooperation."⁸² This commitment was tested shortly thereafter when a high-level mission from the National Academy of Sciences came to Mogadishu to express concern regarding the continued imprisonment of scientific colleagues. Crigler and his staff won kudos from the Academy for "their vital and invaluable assistance to the mission."⁸³ This activist stance, which induced the government to bring long-detained political prisoners to trial in early 1988 and secured the release of many of them over the next year, failed, nonetheless, to keep Congress from seeking more involvement in fashioning U.S. relations with Somalia.

Congressional oversight. Growing U.S. involvement in Somalia after Siyaad switched sides in 1977 was of particular concern to a few congressmen who held a continuing interest in U.S. policy toward the Horn. There were critical congressional investigations or visiting missions to Somalia in 1977, 1979, and 1981. In the early 1980s, hearings held by Congressman Toby Moffett slowed down the programming of military assistance promised in the Facilities Agreement of 1980.⁸⁴ The Democratic majority in Congress remained unhappy about closer U.S. relations with Somalia. Even Republicans who supported the security arguments of the official Southwest Asian strategy had a difficult time embracing Somalia, a country which blazoned its socialist credentials. As Lefebvre has detailed, Mogadishu's public relations on Capitol Hill had to combat a visceral distaste for Somalia among some members of Congress, and the fact that influential members of Congress "personally disliked Barre."⁸⁵ Somali lobbying was not effective enough to change these attitudes.

In the late 1980s, Congressman Howard Wolpe, Chairman of the Africa Subcommittee of the House Foreign Affairs Committee, led the fight against the assistance relationship. Somali officials saw him as an inveterate friend of Ethiopia who could see no harm in Mengistu or no good in Siyaad. In early 1988, Wolpe's staff engineered a "hold" on fiscal year 1988 ESF allocations to Somalia.⁸⁶ Siyaad's human rights record was their justification, even though (in relative terms) that record had improved under prodding from donors, especially the U.S. Embassy. What Wolpe was really after, however, was revision of the U.S. security posture toward the Horn. He had never believed the U.S. relationship with Somalia was justified, and used a congressional hold to dismantle the 1988 development program after the U.S. Embassy had worked out details of that program with the Somali government. Because so many of A.I.D.'s projects were then partially funded by ESF, Wolpe's hold curtailed a broad range of U.S. development activity

in Somalia. Just as the Administration had used the security argument to leverage large allocations for Somalia's development program, now, in a reverse twist, Wolpe was using the human rights argument to stop development assistance that undergirded U.S. security relations with Somalia. Although the Washington foreign affairs community saw the "hold" only as a troublesome obstacle along the continuing course of U.S. assistance to Somalia, it was in fact the first stage of a process that, in two years, brought the U.S. bilateral relationship with Somalia to an end.

U.S. Assistance: Security or Development?

The United States structured its relationship with Somalia in the 1980s to support security interests but gave expression to the relationship largely through development assistance. In monetary terms, U.S. development assistance outweighed military assistance by a four-to-one ratio; in personnel terms, there were only ten permanent U.S. military personnel billeted in Somalia in 1987 along with fifteen to twenty U.S. contractors, while A.I.D. had twenty-eight direct hire positions and some seventy contractors. (This does not include the various temporary personnel assigned in any given period.)

The nature of U.S. economic development aid evolved over time. In the late 1970s, the United States re-entered the development business by joining in existing multi-donor projects and offering readily available commodity assistance. By the mid-1980s, A.I.D.'s strategy turned toward sector programs and technical support in private-sector promotion. From 1987 to 1988, the U.S. development program underwent administrative restructuring and conceptual reorientation. In the course of this process, A.I.D. wrapped all projects and programs into the overarching purpose of structural reform, and every agreement was conditioned on the implementation of serious reforms.

The U.S. strategic aims in Somalia were inchoate. They included countering the Soviet presence in Ethiopia, protecting the Bab al-Mandab straits, and supporting the U.S. Southwest Asian strategy. These aims were inconsistently pursued through a security assistance policy that gave Somalia a modest defensive capability and a large development program. Although the United States tied development assistance to structural reforms, it did not use military assistance to influence Somali policy choices.

From July 1988 to June 1989, Somalia appeared, at last, to be listening seriously to donor advice; the bureaucracy was meeting

IMF targets and the president seemed open to political reform. But appearances were deceptive. The Somali economy had lost its dynamism; human rights concerns and lack of a full-fledged IMF stabilization program were throttling the development flows from which so much of Somalia's economic activity derived. In this situation, old patterns of malversation assumed a more desperate pace; the president's family took the goods of state to be their own. Donor demands about human rights and political reform came up against the brutal reality of a country disintegrating into civil war.

The nature of the fighting posed special problems for Somalia's partners in security assistance. The United States and Italy were training and equipping Somali armed forces to defend the security and independence of their state, not to turn against their fellow citizens. The Somali state's campaign to recapture its people and provinces inevitably called the U.S.-Somali security relationship into question and undermined the political foundation of the development partnership. In the final analysis, the U.S. impact on the course of the Somali state was inconsequential. Before exploring how the United States reacted to the final disintegration of state power in Somalia, we will review other donor programs to get a more complete picture of development issues in Somalia over the last decade.

Notes for Chapter Four

- ¹ "Statement made in the Security Council by Francis O. Wilcox, Assistant Secretary of State for International Affairs, on July 5, 1960," *Department of State Bulletin*, XLIII, 1100 (July 25, 1960), 151.
- ² President John F. Kennedy set the pattern for two decades of speeches likening the African political experience to that of the United States when he told an African audience in 1960, "We also are a revolutionary nation and a revolutionary people" ("Remarks made by President Kennedy at a reception marking African Independence," *American Foreign Policy, Current Documents* [Washington: U.S. Government Printing Office, 1961]).
- ³ Wilcox, 151.
- ⁴ U.S. Agency for International Development, *Congressional Presentation for Somalia, FY-68*; the fiscal year 1968 proposals revised March 28, 1969, show the direction and levels of development effort in full-fledged collaboration with the First Republic.
- ⁵ *Congressional Presentation for Somalia, FY-68*.
- ⁶ Jeffrey A. Lefebvre, *Arms for the Horn: U.S. Security Policy in Ethiopia and Somalia, 1953-1991*, (Pittsburgh: University of Pittsburgh Press, 1991), 197.
- ⁷ *Congressional Presentation for Somalia, FY-68*.
- ⁸ Lefebvre, 193.
- ⁹ Lefebvre, 192 and 195.
- ¹⁰ "Address by the Secretary of State to the Annual Convention of the National Association of Colored People, St. Louis, July 1, 1977," *American Foreign Policy 1977-80*, Doc. 608, 1131-1132.
- ¹¹ The notion that Africa was distinct and separate from the regular arena of world politics goes back to Assistant Secretary of State G. Mennen Williams and his Deputy Dr. Wayne Fredericks. See "Address by the Deputy Assistant Secretary of State for African Affairs at the St. Paul Social Studies Institute," *American Foreign Policy, 1963*, Doc. VIII-1, 615-617. Subsequent administrations subscribed to this formula in policy addresses until, under the Brezhnev Doctrine of expansionism, Soviet intrusions into Africa took on dimensions that the United States could not ignore. It is ironic that the Carter Administration, which most clearly articulated the vision of a unique, apolitical Africa, would be the Administration which had to devise the first responses to Soviet expansion in Africa—Shaba I and II, arms for Somalia or Chad.

¹² Lefebvre, 199.

¹³ Jimmy Carter, "Annual Message to Congress, January 21, 1980," *Public Papers of the Presidents of the United States* (Washington: U.S. Government Printing Office, 1981).

¹⁴ The agreement was finally established by an exchange of notes between the Department of State and the Somali Embassy in Washington on August 21 and 22, 1980. Exorbitant Somali demands for remuneration and the U.S. view of Somali facilities as marginal to its operational needs kept negotiations deadlocked for nine months.

¹⁵ Lefebvre, 220.

¹⁶ "Address by Chester A. Crocker, Assistant Secretary of State for African Affairs, before the Baltimore Council on Foreign Relations," October 28, 1982, U.S. Department of State, *Current Policy*, No. 437, 4.

¹⁷ "Statement of Lannon Walker, Acting Assistant Secretary of State for African Affairs before the Subcommittee on Africa, Committee on Foreign Affairs, House of Representatives, April 2, 1981," *Foreign Assistance Legislation for Fiscal year 1982, The Horn: the Prospects for Regional Conflict and Global Confrontation* (Washington: U.S. Government Printing Office, 1981) 345-359.

¹⁸ Crocker, 4.

¹⁹ Crocker, 4.

²⁰ U.S. General Accounting Office, *Somalia, U.S. Strategic Interests and Assistance*, February 16, 1990, 31.

²¹ U.S. Department of State, *Congressional Presentation for Security Assistance, FY-88, "Somalia."*

²² U.S. Department of State, *Congressional Presentation for Security Assistance, FY-85, "Somalia."*

²³ U.S. Department of State, *Congressional Presentation for Security Assistance, FY-87, "Somalia."*

²⁴ U.S. Agency for International Development, Mission to Somalia (USAID-Somalia), *Agricultural Extension. Training and Research Project Paper*, 1978.

²⁵ USAID-Somalia, *Agricultural Extension. Training and Research Project Paper*.

²⁶ USAID-Somalia, *Evaluation Report of Project 649-0101: Agricultural Extension. Training and Research in the Bay Region of Somalia*, 1983.

²⁷ USAID-Somalia, *Central Rangelands Project Paper*.

- ²⁸ USAID-Somalia. *Audit of Somalia Food and Nutrition Projects*, June 19, 1985, 3.
- ²⁹ *Audit*, 4-6.
- ³⁰ Interviews with World Bank officials.
- ³¹ USAID-Somalia, *Country Development Strategy Statement for FY 1984*.
- ³² *Audit*, 3-6.
- ³³ USAID-Somalia, *Project Evaluation: Rural Health Delivery Systems Project* (Report by Sandra Gove, John Henson, and Idrian Resnick), April 1984, 89.
- ³⁴ USAID-Somalia, *Country Development Strategy Statement for FY 1991*, 19.
- ³⁵ *Project Evaluation*, 88.
- ³⁶ *Country Development Strategy Statement for FY 1991*, 19.
- ³⁷ *Project Evaluation*, 88-89.
- ³⁸ *Project Evaluation*, 87.
- ³⁹ *Project Evaluation*, 99.
- ⁴⁰ USAID-Somalia, *Family Health Services Project Evaluation*, 1987, 20.
- ⁴¹ Conversation with A.I.D. officials.
- ⁴² A.I.D., *Special Evaluation: Brain Gain or Brain Drain? A Review of USAID Participant Training Programs in Somalia*, September 14, 1986, 10.
- ⁴³ *Special Evaluation*, 7-12.
- ⁴⁴ The projects evaluated were Agricultural Delivery Systems Project, African Manpower Development Project (AMDP), African Graduate Fellowship Project, Bay Regional Agricultural Development Project and Central Rangelands Project (*Special Evaluation*, 8-9).
- ⁴⁵ *Special Evaluation*, 10-11.
- ⁴⁶ USAID-Somalia, *Annual Budget Submission for FY 1988*, 41.
- ⁴⁷ *Annual Budget Submission for FY 1988*, 41-42.
- ⁴⁸ USAID-Somalia, *Annual Budget Submission for FY 1985*, 35.
- ⁴⁹ USAID-Somalia, *Country Development Strategy for FY 1983*, 20.
- ⁵⁰ USAID-Somalia, *Country Development Strategy Statement for FY 1982*, 14-16.
- ⁵¹ USAID-Somalia, *Emergency Food Assistance - Somalia*, "Transfer Authorization, March 1, 1984."

⁵² USAID-Somalia, *Section 206 Program - Somalia*, "Transfer Authorization, June 16, 1987."

⁵³ USAID-Somalia, *Country Development Strategy Statement-ECPR*, June 9, 1989.

⁵⁴ *Somalia, US Strategic Interests and Assistance*, 18.

⁵⁵ I. M. Lewis, *A Modern History of Somalia* (Boulder: Westview Press, 1988), 245, and Lefebvre, 235.

⁵⁶ U.S. Embassy-Somalia, "Letter from Ambassador Crigler to President Siyaad Barre, May 24, 1987." Crigler had laid down the human rights marker earlier in remarks at his swearing-in which were carried on the Voice of America and publicized by the U.S. Information Service in Mogadishu.

⁵⁷ National Academy of Sciences, *Scientists and Human Rights in Somalia* (Washington, DC: National Academy Press, 1988), xii and 3-8.

⁵⁸ Lefebvre, 235.

⁵⁹ Lefebvre, 262.

⁶⁰ Lefebvre, 260-262.

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Chapter 5

PERSPECTIVES AND PROGRAMS OF OTHER DONORS

The United States was not alone in facing the development problems that the Somali environment posed. Besides the World Bank and other multilateral institutions, Western donors as well as China, Japan, and the Arab countries provided economic assistance (see Figure 4). All donors had different national interests at stake in Somalia and varied development strategies and policies. Nonetheless, all were basically committed to the same objectives: the World Bank/International Monetary Fund (IMF) agenda of economic equilibrium through economic growth, a market economy, and strengthened state institutions. How each managed its assistance relationship to Somalia reflected the particular nature of its relationship to the Somali state and its understanding of Somali culture. A review of other donor programs underscores the complexities of development assistance to Somalia.

Italy: Working Out a Love Affair

While other donors view Somalia with a technical eye, assessing strategies and counting gains or losses, Italians, the former colonial masters, look back on Somalia with passion. There is no gainsaying Italian love for the Somalis, their society, and their country. While there was never a large colony of Italians resident there, prominent Italian families have had ties with Somalia for nearly a century. Since Somali independence in 1960, some Italian development officials have spent the better part of their lives in Somalia or in ministries at home working on Somali problems.

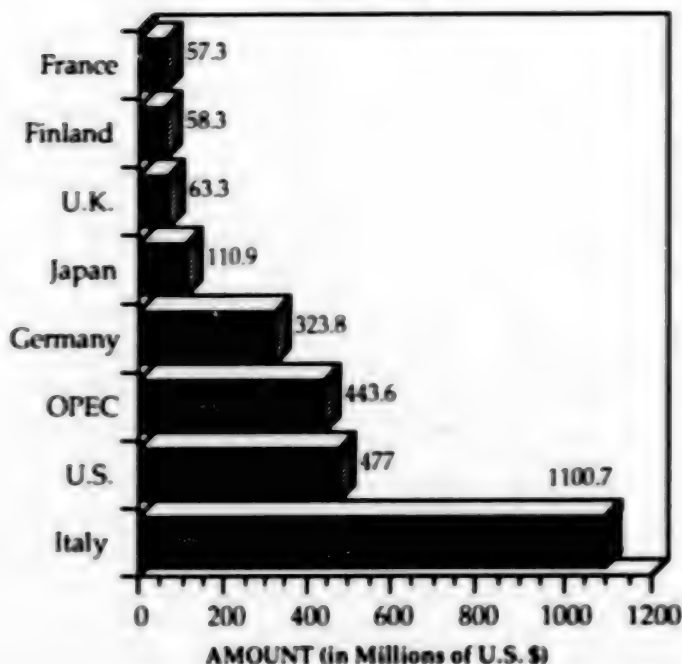
Historical perspective. But personalities alone cannot explain the depth of Italian commitment to Somalia's development, an outlay of funds that was twice that of the next most important bilateral donor—the United States—and that dwarfed the outlays of the World Bank. Foreign policy did not account for it either, because Italy did not regard Somalia as a top policy interest and had not staked out any strategic space there. Italian commitment is rather an obsessive sentiment derived from history and played out in domestic politics.

Since colonial times, Italy's developmental mission in Somalia was without ideology or civilizing zeal. Hess observes that, "in sharp contrast to the usual stereotypes of imperial and colonial activity," Italians chose not to disturb the "political and social order of the Somali tribes or of Islam."¹ Where Italy held sway, Rome ruled indirectly through warrant chiefs. Even when the British ceded Jubaland and Kismayo to Italian control in the 1920s, the Italian authorities preserved the established (that is, British) forms of law and administration.

Most of the Italian development effort was concentrated in urban areas and river valleys away from the grazing lands of the nomadic Somalis. Initially development programs were administered by charter societies: the Filonardi and the Benadir Companies.² Under the Fascist regime in the late 1920s and 1930s, Italians switched to direct administration but only partially implemented this strategy. In addition to road and port improvements in preparation for colonial expansion, Mussolini's regime invested in agriculture, salt works, and tanneries. In 1928-1930 the metropolitan government gave its colony 112 million lire in grants-in-aid, a large part of which went into the development of plantations. Colonial expenditures in the 1920s exceeded receipts by a factor of about five to one. Nonetheless, such social programs as existed were largely services to urban and plantation workers, not nomadic Somalis. Out of a population of 1.5 million, less than a thousand Somalis were enrolled in school in 1934.³

When Italy regained trusteeship of Somalia in 1950, it embarked on a crash program to prepare Somalia's people for independence ten years later. During the 1960s, the new Somali state was the main recipient of Italian development aid. And when Siyaad Barre took power in 1969, Italian commitment to Somalia gained new political resonance. The Italian Communist Party became Siyaad's instant champion; here was a Third World leader with a progressive agenda who was willing to call it "scientific socialism." But Italian Communist support lasted only so long as the Soviets supported Siyaad. After the Soviets dropped the Somalis to switch to Mengistu in 1977, the Italian Communists, after much internal debate, followed. Italian Socialists then took the role of big brother to the Somali

FIGURE 4.
Bilateral Economic Assistance to Somalia
1980 - 1989



Source: *Geographical Distribution of Financial Flows*, Organization for Economic Cooperation and Development, 1980 - 1989.

Revolutionary Socialist Party. Since Senegal and Tunisia had just then joined the ranks of the Socialist International, the Italian Socialists hoped to bring yet another Third World country into the world democratic-socialist network.⁴ As a result, Somalia continued to enjoy the benefits of an enthusiastic domestic Italian sponsor.

A quantum leap in assistance. About the time of Siyaad's turn to the West, there was also a crisis of conscience among Italians whose own economic lot had been substantially improved by the 1970s. Doing more for the poor nations of the world suddenly became a national cause, led originally by radical parties, but eventually embraced by centrist Socialists and Christian Democrats. Mass demonstrations and parliamentary sentiment energized support for a large increase in the proportion of GNP dedicated to Third

World development. Since Italian national income was rapidly rising during this period, officials in the Cooperation Directorate suddenly had more money than they could spend. As a result, the Italian parliament created the Fondo Aiuto Italiano (FAI) and ordered the Cooperation Directorate to dispense its capital of \$600 million within eighteen months. This turn of events coincided with the (temporary) control of government by the Socialist Party which, because of its historic ties with Siyaad's regime, favored Somalia as the place to spend the bulk of FAI money.

The result was a major outpouring of development financing. Italian aid to Somalia in 1986-1987 ballooned to over \$200 million annually, making Somalis the highest per capita recipients of aid on the African continent. In 1986, \$6 million was spent for prefabricated silos, \$6 million for petroleum imports, \$14 million for other commodity imports, \$14 million for a rural water scheme, \$19 million to the SNAI sugar factory, \$28 million as a cash grant, and \$105 million allocated for the Garoe-Bosaso road.⁵ Unfortunately, Italian development planners did not have adequate time to structure many of the projects funded; the silos, for example, were imported and erected without any clear understanding as to who would use them.

Moreover, Italian generosity came just as the donor community was trying to rationalize assistance programs by getting them on the budget and within the scope of Somalia's Public Investment Program, the planning document for donor consultations. This was also the period when Somali government ambitions were most closely aligned to the donor agenda. Somalia had been keeping its budget and monetary policy within IMF strictures, and its development planning was in line with the stipulated reforms. But the extraordinary flow of resources from the Italian FAI program gave the Somali government the luxury of untied resources and broke the fiscal restraint of the IMF/World Bank program. Italian development funding so exceeded the guidelines of the Public Investment Program that the 1987 Donors Roundtable decided to consider the FAI as an off-program emergency investment.

Development emphases. Italy's development investments covered the spectrum of public investment projects but were most heavily weighted toward road construction, public health, agriculture—especially Gisoma irrigated farming and SNAI sugar plantations, power rehabilitation, rural water supplies, and fisheries. Its most important contribution to the economy, however, was through private-sector participation in the Somali Fruit Company, which revived the banana trade and added grapefruit and melons as major export earners for Somalia.

Perhaps the most enduring Italian effort was support for the National University of Somalia. An outgrowth of an extension program from the University of Padua, the University of Somalia was formally established on July 14, 1969, just before the revolution that brought Siyaad to power. It took two years before ideological differences with the new regime were settled and the first basic courses could be taught.⁶

The question of which world language to use as means of instruction at the university was critical, since the debate over choosing a Somali script was raging at this time. Although the Italians would have been willing to fund non-Italian instruction, Siyaad's government wanted university courses in Italian. Southerners feared the dominance of the Anglophone North and saw Italian as a minor language that would not overshadow the adoption of written Somali as a medium of communication, as either Arabic or English would. As a result, Italian became the language used in all scientific faculties and, although the faculty of law and economics was supposed to use Somali, Italian dominated there as well. As Novati notes, "Running the Somali National University...provided Italy with a powerful leverage to influence the leading class, intelligentsia and administrators."⁷

The Somalis found assistance from Italy, the former colonial master now become a benign, middle-sized power, more palatable than British or American aid. Italy was able to maintain amicable relations with the Somali government and continue its assistance effort right through the high-tide of Soviet influence. Novati notes that Italy's "weakness on an international scale...became a modest but significant asset." At the same time, Italy was most sensitive among Western donors to the political costs of economic liberalization. Although Italy supported donors' goals of a more market-oriented, liberal regime in Somalia, it often urged donors to exercise prudence in pressing their conditions. While other donors were determined to change the structures undergirding the regime, Italy was convinced that donors could achieve their goals only if they supported and reinforced Siyaad's government. As Novati concludes, "apart from the political stake, this...stance was designed to secure a privileged place in markets which were relatively important for Italian export."⁸

Germany: Meeting a Debt of Honor

In 1978, German commandos, with full Somali cooperation, stormed a hijacked Lufthansa airliner at the Mogadishu airport and rescued all passengers aboard. The flight of the hijacked aircraft had

become a national drama as country after country in the Middle East refused landing rights, and the lives of all Germans on board seemed imperiled. The successful rescue is still commemorated each year in Germany where gratitude for Somali assistance became a national debt of honor to this poor country.

The story, however, really began in 1960 at Somali independence. Germany not only launched a significant aid program, but also provided equipment and training for the nascent Somali police. However, after Siyaad's regime moved into the socialist orbit and Somalia recognized East Germany in 1973, West Germany cut off financial and technical assistance. The police support program was, nonetheless, maintained right through the period of Soviet ascendancy, a constancy which Somalia remembered in 1978. When Germany resumed economic development assistance in 1978, German development officials sought to build up Somalia's institutional capacity for economic growth within the modern sector. Program support was consistently high with funding averaging about \$30 million a year, programmed in successive two-year plans. While Germany participated in several multi-donor projects, its development planning mechanism did not permit extraordinary expenditures for program support to structural adjustment. Rather it emphasized critical production areas: agriculture, water resources, livestock, and transport infrastructure. Development schemes tended to be large, state-owned and managed, such as the Mogambo Rice Plantation, the National Range Agency, the Water Development Agency, Somali Shipping Agency, and Somali Airlines.⁹

During a decade of consistent effort, German development agencies found Somali culture resistant to the approach they had chosen. In retrospect, German development officials concluded that Somalis had no concept of state institutions serving a higher public good. Rather, the Somali ruling elite saw these institutions and the development programs buttressing them as fundraising institutions to channel goods, services, and power to those who managed them. Modern institutions of state based on individual incentive and reward with strict accountability over the use of public resources simply did not fit the Somali clan ethos.

In the latter part of the 1980s, Germany began to reevaluate its development strategy, especially as misuse of commodity assistance increased. A German-donated ship Puntland apparently was being used for gunrunning. Counterpart funds generated from commodity sales disappeared in the Finance Ministry. After the German government formally protested the misuse of funds, German development planning began to shift from an emphasis

on state institutions to small, sustainable programs directly benefitting individuals. The German/Somali Mixed Commission, which met biennially to plan future development programming, initiated in 1988 new approaches concentrating on small holder agriculture, small irrigation schemes, well rehabilitation, and road repair.

While German officials are notably dour about their assistance efforts in Somalia, there were some successes. Provision of veterinary service in central rangelands worked well until the civil war broke out there in 1989; the technical training college in Mogadishu not only trained tradesmen but so won their loyalty that, during street fighting, they personally defended the school's equipment against looters. Those who flew to Mogadishu on Somali Airlines were always grateful for the German technical assistance that oversaw maintenance of its ancient Boeing 707s, while those who lived in Mogadishu during the rainy seasons will be eternally grateful for the German storm-sewer project. In the German view, their infrastructure projects and training programs had the most enduring effect, not the larger programs in support of state institutions. And on balance, officials conclude that, were it not for the moral commitment and political obligation of the German people to repay Somalia for the rescue of German hostages at Mogadishu airport, German assistance to Somalia, up against intractable obstacles, would not have persevered.

United Kingdom: Suspect Patron of the North

Independent Somalia incorporated British Somaliland. And although the United Kingdom administered British and former Italian Somaliland for a period during and immediately after World War II (1943-1950), British relations with Somalia were not as close as with its other former colonial territories in Africa. British interest in Northern Somalia had been limited to begin with; it was a useful source of meat for the coaling station at Aden and a location among others astride the geopolitical fault line of the Middle East. Moreover, the British had ruled Northern Somalia under a colonial policy that required each possession to pay for its own development costs. As a result, British colonial development efforts pale by comparison with Italy's large investments in the South; there was little rent to extract and reinvest in the North. However, British colonial administrators' emphasis on quality education, their deferential treatment of local elites, and their establishment of a secure environment for commerce were fondly remembered by Northerners after amal-

gamation with the South.

While the United Kingdom contributed development aid to the new Somali state, the joining of the British Protectorate with Italian Somalia diluted the relationship with London and reduced British influence. Moreover, disagreements over the future of Somali homelands in Kenya's Northern Frontier District caused London and Mogadishu to break diplomatic relations in March 1963. Relations were not restored until a Northerner, Mohamed Egal, became Somali prime minister in 1968. When Egal's government was replaced by Siyaad's regime, in which Southerners dominated, relations with the United Kingdom again became tenuous. Siyaad and those closest to him were highly distrustful of British intentions, constantly suspecting a British scheme to support Northern secessionist tendencies or to abet power plays in Mogadishu.

Thus, in spite of British development activities, British relations with Somalia were never close. Over time, the Somali state joined the Arab League, signed a treaty of friendship with the Soviet Union, and occasionally was represented at Francophone conferences, but it never joined the commonwealth of former British colonies. More important, the Somali Republic's pursuit of its irredentist claims to a "Greater Somalia" put it at odds with the neighboring states of Ethiopia and Kenya, where British interests were more pronounced. Indeed, British Somali policy was to a large extent determined by its Kenya policy; not until Kenya and Somalia settled their differences in the early 1980s did the United Kingdom feel at liberty to expand its assistance program.

The views of the British public on Somalia took two complementary tacks, as reflected in parliamentary debate: the right supported assistance for Somalia as a counterweight to Soviet moves in the Horn and Gulf; the left complained that the United Kingdom was not adequately addressing humanitarian assistance needs that should be met regardless of geopolitical concerns.

Security concerns. A small but vigorous lobby, the Horn of Africa and Aden Council, saw Soviet expansion in Afghanistan as a portent of similar intentions in the Horn. The council's parliamentary champions, both in the House of Commons and the House of Lords, challenged whether the government was doing enough to confront the Soviet threat. Typically, topical events—the U.S. facilities negotiations in 1980, the Ethiopian threats to Somali territory, and especially the Libya, Yemen, Ethiopian pact in 1982—piqued parliamentary interest and debate. As early as 1980, Randolph Churchill was urging military assistance for Somalia. The standard government response was that, while it did not give military aid to Somalia, the government was

prepared to consider licensing sales of military equipment.¹⁰

In contrast to the U.S. response of accelerating military assistance to Somalia at the time of Ethiopian incursions in 1982, the British government (at Kenya's suggestion) took an even-handed stance and pushed the European Community to call for negotiations between the two sides. This attempt to maintain a balance in Horn policy was confirmed when Britain responded positively to an Ethiopian request for technical assistance and when Undersecretary of State for Foreign Affairs Jeremy Rifkind visited both Somalia and Ethiopia in 1983. Although the British government never provided military materiel to Somalia, in the wake of improved Kenyan-Somali relations and with Ethiopian peace talks under way, Undersecretary for Foreign Affairs Linda Chalker did agree during her April 1987 visit to offer two training positions in the British military school at Sandhurst and to review the possibility of a pilot training/spare parts program for Somalia's Hawker-Hunter aircraft. Civil war broke out in the North in 1988, before these ideas came to fruition. Instead, human rights violations during the war caused Great Britain to reevaluate its program and to inform the Somali government that such violations were "bound to affect the future of aid."¹¹

Humanitarian and developmental concerns. In contrast to the security concerns expressed by Conservatives, the parliamentary opposition questioned whether enough was being done on the humanitarian and developmental side. The matter came up in Parliament during the Somali refugee crisis in the late 1970s, following press reports of droughts in the region, and in the context of larger humanitarian concerns for Ethiopia and Eritrea. From 1988 on, Northern Somalis settled in British working class areas pressed for more for humanitarian aid to the Horn. Although, Ann Clwyd and Alun Michael of the Labour Party were persistent prodders, the opposition leadership seemed to understand the operational difficulties and limitations of distributing aid and the international scope of humanitarian responsibility. In one debate, Liberal Party leader Sir David Steel, with typical grace and wit, argued, "I personally should prefer exhortatory motions...We know of her [the Minister of Overseas Development] personal commitment to these issues. Our job is constantly to propel her into the arms of the Chancellor of the Exchequer."¹²

British development assistance was molded also by a desire to encourage Somalia to move to the Western camp and to bolster its productive capacities. Aid projects focused on livestock and forestry, water resources, education and training, and electrification.

By 1985, British development experts had concluded that Somalis were not upholding their side in the development effort and that anyone carrying out development projects in Somalia must do it "lock, stock and barrel." But the British kept trying. The Tsetse Eradication and Veterinary projects, two well-conceived projects with a potential for making an impact in their sector, were complicated by obstruction from the Somali government: impoundment of supplies, denial of flight clearances, and constant barriers to project implementation in the North. Fisheries projects ran into the problem of cultural adaptability, but training programs in forestry and sugar culture in Juba and English language teaching were successful.

While the British perhaps had the most realistic assessment of Somali government capabilities of any donor, it was difficult for them to offer effective criticism. The Somali government was suspicious about their intentions in the North. Also, the Somali National Movement (SNM) used London as a propaganda base, and the broadcasts of BBC's Somali service regularly gave credence to dissident claims.

By 1987, in spite of skepticism and in an effort to push forward the IMF recovery program, British assistance grew to 6.6 million pounds, not counting refugee assistance and contributions to European Community programs. Princess Ann visited Somalia that spring, and Siyaad Barre was about to make his first visit to Britain in May when the SNM carried their insurgency out of Ethiopia into Northern Somalia. By October, the Somali government's record of retribution in the North and human rights abuses in the South led the British government to suspend program aid and consideration of new projects. Major programs were brought to a conclusion, and, by 1990, only a small number of technical cooperation projects remained.

France: The Balancing Act

France's relations with Somalia were a function of its desire to hold its position in Djibouti, a strategic base on the Red Sea and a geopolitical fulcrum on the Horn. France generally kept a low profile in Somalia, however, so as not to upset the delicate balance in relations with Ethiopia, whose acquiescence was critical for the French to maintain a free hand in Djibouti. A senior French diplomat reportedly claimed that his instructions on leaving Paris for Mogadishu in 1985 were to do nothing.

From the Somali perspective, Djibouti was part of greater

Somaliland, since ethnic Somalis of the Issa Clan constituted a major part of Djibouti's population. Even though French control of Djibouti had been confirmed in various accords with the Italians, the independent Somali government supported nationalist movements against French government control. In 1975, Djibouti "freedom fighters" kidnapped the French ambassador to Mogadishu within Somali territory. Although the Somali government eventually secured the ambassador's release, the incident, not surprisingly, strained Somali ties with France. Relations warmed up, however, when an Issa-dominated party won control of the Djibouti government at independence in 1977.

France did, in fact, do more in Somalia than was apparent. It contributed about \$1.2 million of technical assistance annually through 1989 and completed a major capital investment project in 1987. In addition to cultural programming, support to secondary and higher education, and technical assistance to the police, France also sponsored a highly successful irrigated date-palm program in the Northeast and furnished professors to the Somali Institute for Development and Administration (SIDAM). The French cultural center's influence among the elite in Mogadishu was considerable. The largest French economic project was the Berbera cement plant whose rehabilitation France agreed to finance after the North Koreans left it partially finished following the Ogaden War. Constructed in a difficult environment with high overruns, the cement plant eventually cost France \$36 million. The factory, which came on-line in 1987, produced cement at above world market prices but with significant local value added.¹³

More important than its modest aid contribution to Somalia was France's political role as a power respected by all parties in the region. Through President Hassan Gouled of Djibouti, who had ready access to Siyaad Barre, France was able to broker peace talks between Ethiopia and Somalia and eventually to suggest the framework for the final peace accord in April 1988. France's careful balancing act paid off, giving it political leverage that donors with much larger purses did not always enjoy with the Somali government.

The Arabs: Generous but Erratic

Somalia's benefactors in the Arab world included both radical and conservative Arab states; both camps, at various times, also funded Somali dissident groups. Funding depended on whether a

given Arab state was happy with Somalia's policy of the moment. Conservative Arab funding was generous but irregular, evidencing concerns about Soviet ties, Somalia's commitment to socialism, its progressive stance on family issues, as well as its failure to repay previous loans. Conservative Arab aid came through when it counted, nonetheless, funding arms purchases during the Ogaden War and encouraging the United States to do the same. Abu Dhabi set up a special fund to buy Hawker-Hunter fighter bombers and to hire teams from the former Rhodesian Air Force to maintain and fly the aircraft. As though dispensing alms, Saudi Arabia often provided its aid as cash grants at times when Somalia was especially needy, giving a reported \$300 million during the Ogaden crisis and a cash grant of \$40 million in 1985 just before the Donors' Roundtable, reducing by half the gap which donors were asked to cover.

The conservative Arab states tended to fund large projects and depended on technical assistance from Europe to run them. For example, the Saudi Fund, the Abu Dhabi Fund, and the OPEC Fund invested over \$100 million in the Juba Sugar Estate but asked the British to provide technical assistance. Kuwait put \$14 million into the Mogambo rice scheme, while Germany provided further investment and technical expertise. Somalfruit, the joint Italian/Saudi banana company, depended entirely on Italian expertise to manage production and British crews to run the banana ships. Arab funds also supported water development, fisheries, and highway construction.¹⁴

Among the conservative Arab states, Egypt had the most consistent record of helpful assistance to Somalia. During the Ogaden War, Egypt provided some \$50 million of desperately needed arms and spare parts to Somalia from its store of Soviet-origin materiel. Later it mounted a large cultural program in all the major cities of Somalia. In addition, Egypt underwrote medical assistance and officer training. The most crass of the conservative Arabs were the Kuwaitis; in return for loans and cash gifts, Kuwait demanded free run of the Somali countryside for its foreign minister's hunting parties.

Among the radical Arab states, Libya's aid to Somalia was the obverse of Libya's interest in Ethiopia and tended to coincide with downturns in Somalia's relations with the United States and Somali overtures to the Soviet Union. To the West, Somalia explained its Libyan ties as necessary to stop Libyan funding of Somali dissidents. Whether it valued Somali friendship or simply became tired of fractious wrangling among dissidents, Libya did appear to cut off its support and training for Somali Salvation Democratic Front (SSDF) and SNM insurgents after it renewed relations with Somalia in

1985.¹⁵ Libyan development aid went typically into joint ventures with the Somali government on projects like hotel construction, irrigated farming, and cattle ranching. Although none of these ventures made money, they did offer good jobs for the Somali elite, thus providing insurance for a continuing relationship with the Somali government.

Iraq's main contribution to Somalia was an oil refinery designed to process Iranian crude. After the outbreak of war with Iran, however, Iraq could no longer provide the crude nor the technical assistance to keep the refinery going. In the late 1980s, Italy tried to rehabilitate and re-equip the refinery but was never able to complete the project. As a result, during most of the 1980s, demand for petroleum products was met by importing refined products. Commodity grants of petroleum products (largely from the World Bank, Italy, and Saudi Arabia) became a major form of assistance to Somalia, totalling \$84 million between 1985 and 1990.¹⁶

A Dollop of Other Donors

The NATO allies and the Arabs were not the only donors to Somalia. A wide variety of countries appear on lists of assistance to Somalia; some of them are surprises (see Figure 4). What, for example, is Finland doing there listed among the top donors? The best answer Finnish officials can give is inertia. Through connection with a private voluntary organization, the Finnish government was drawn into health care for tuberculosis in Northern Somalia after the Ogaden War. Success in this project induced officials to expand funding into other health care programs, and into projects in electrification in small cities and food storage. At its height in the mid-1980s, Finnish assistance reached over \$25 million annually, one of the largest Finnish programs in the developing world. Lesser European donors included the Danes in Northwest coastal fishing and regional electrification, as well as the Swedes in primary health care and artisanal fishing boat construction.¹⁷

While its status on aid charts is not unexpected, Japan's presence in Somalia was hard to detect. It had no resident diplomatic or aid officers in Mogadishu and seldom participated in donor coordination meetings. Its projects, nonetheless, ran the gamut from water wells for Mogadishu to technical assistance for artisanal fishing. A major investment was Japan's \$60 million loan toward a desperately needed telephone system (of Japanese manufacture) for Mogadishu. Some \$30 million of this project had been obligated before the secur-

ity situation around Mogadishu in 1990 brought the work to a halt.¹⁸

China was an old steady friend to Somalia. It built the sports complex that housed the Pan-African Games in the mid-1970s and poured some \$43 million into the Fanole rice plantation and mill. The Chinese also provided assistance for medical centers, dug boreholes for rural water, and Chinese technicians were reconstructing the water supply for Hargeisa when the SNM overran their operation in 1988. The SNM's safe conduct of these technicians to the Chinese embassy in Addis Ababa caused the Chinese government to cancel support for the Somali government in spare parts for jets and other armaments.

The European Community's (EC) commitment to Somalia increased with each succeeding agreement between the EC and former dependent territories. By 1989, the EC had invested \$11 million in grapefruit plantations, \$4 million in Northwest agricultural development, and \$5 million in water supplies for Mogadishu. It supported coastal fishing around Mogadishu, principally with \$13 million rehabilitation of the old port as a fishing boat harbor. As an intended lender to the Bardhere dam project, the EC spent \$3 million on an access road across the Shabelli farming area and another \$4 million on bridges across the Juba and Shabelli Rivers. It opened a farming project near Bardhere and proposed to spend \$38 million on the Jelib-Bardhere road, which would have carried construction traffic to the dam site.¹⁹ A major supplier of food aid and commodity imports, the EC had major problems with Somali accounting of counterpart funds for its grants of food and other commodity aid; records for some \$32 million were "lost" by the Ministry of Finance. Perhaps because of the weight of bilateral European assistance programs, the EC did not wish to appear to be overbearing and kept a low profile in the donor community. It did not participate to any extent in policy colloquies until after 1987.²⁰

Donor Prescriptions for the Somali State

Somalia's assistance partners channelled aid to projects and programs in a coordinated agenda that followed IMF/World Bank guidelines, but took on the particular complexion of each donor's relations with Somalia. Collectively, donors pursued an optimistic agenda based on the assumption that political stability and economic growth were possible in Somalia. Contributions from all sources grew in the 1980s, peaked in 1986-1987, and then began to decline in the face of evident political disintegration.

What donors saw when they got back into the development business after the Ogaden War was a country that was not just poor,

as it had always been, but that was in desperate economic straits after ten years of scientific socialism. They did not perceive that the Somali state had begun to disintegrate with the Ogaden adventure. They focused on Somalia's economic disarray, not on the quality of its political institutions, their legitimacy in the provinces, and their effectiveness as instruments of influence and control. The donors chose treatments for Somalia's ills prescribed by the World Bank/IMF: a stabilized financial situation based on monetary, credit, and budgetary controls and a market-derived exchange rate; economic growth through liberalization of state controls over the economy; and training which would give Somalis the capacity to manage their own economic future. To make this medicine palatable, donors spent over \$4 billion in economic assistance from 1980 to 1989.

Although Somalia was induced by donor generosity to adopt one or another of these prescriptions at various times in the 1980s, it did not stay on any medicine long enough to be cured. Siyaad never gave up scientific socialism as the organizing principle of his regime, though donor demands obliged him to give up central state controls that made socialism so profitable to the Somali elite. Realizing that he was losing his ability to manage the economy to his own ends, Siyaad retreated from World Bank/IMF measures in September 1987 and into economic disaster. To get back on the reform wagon nine months later, Somalia had to accept even more severe prescriptions: liberalization of all export trade, competitive sale of agricultural inputs, and restructuring of the commercial financial sector. By that time, however, civil war had erupted, and the political underpinnings of the economy were crumbling.

Somalia's erratic performance on economic reform was not the only problem. Within Somalia's weak institutional base, donors sought to generate quick economic growth and rapid structural change. While coordination was good at the policy and planning level, there were major problems with project design and implementation in heavily funded, multi-donor projects. Training programs were subverted when trainees failed to return from abroad or refused to work in the provinces for the pitiable pay of a Somali civil servant. Heavy commodity and cash grant assistance from donors, the instruments of choice to turn Somalia's economy around, opened broad avenues for malversation and structurally undermined Somalia's economy through their inflationary effect. With the best of intentions, donors with large-scale projects and massive assistance inadvertently contributed to weakening the fabric of the Somali state. In their focus on economic issues, donors had been unwitting participants in state disintegration before 1988; after civil war broke out, however, the political nature of Somalia's problem was readily apparent. Donor reactions to that disintegration and lessons that might be learned from their experience are discussed in the final chapter of this study.

Notes for Chapter Five

- ¹ Robert Hess, *Italian Colonialism in Somalia* (Chicago: University of Chicago Press, 1966), 176.
- ² Hess, 186.
- ³ Hess, 159-170.
- ⁴ For a discussion of ties between Siyaad's regime and Italian politicians see Mohamed Aden Sheikh, *Arrivederci a Mogadiscio* (Roma: Edizioni Associate, 1991).
- ⁵ Somali Democratic Republic, *National Development Strategy and Programme, 1987-1989*, (Mogadishu: February 1987), 66-80.
- ⁶ "Italian Cooperation for the Somali National University" in ed., Pieluigi Malesani, *Cooperazione* (Roma: Fratelli Palombi Editorie, 1988).
- ⁷ G. C. Novati, "Italy in the Triangle of the Horn," *Proceedings of the Sixth Michigan State University Conference on Northeast Africa*, April 23-25, 1992, 25.
- ⁸ Novati, 254.
- ⁹ Data supplied by German aid agencies and *National Development Strategy and Programme, 1987-1989*, 6-82.
- ¹⁰ "Question of Mr. Churchill and Written Answer of Mr. Luce," *Parliamentary Debates*, 26 June 1980, 201.
- ¹¹ Foreign Commonwealth Office, "Recent Developments in the Horn of Africa" FCO/FAC120188, November 1988, 62.
- ¹² "Statement of Sir David Steel," *Parliamentary Debates*, 30 January, 1991, 1016.
- ¹³ *National Development Strategy and Programme, 1987-1989*, 6-82.
- ¹⁴ Somalia broke relations with Libya when Libya signed a treaty of friendship with Ethiopia and Yemen in 1981. Relations were restored in 1985, apparently in return for Libyan agreement not to fund Somali insurgents. After the United States suspended arms shipments because of civil strife in 1988-1989, Somalia
- ¹⁵ *National Development Strategy and Programme, 1987-1989*, 6-82.
- ¹⁶ *National Development Strategy and Programme, 1990-1992*.
- ¹⁷ *National Development Strategy and Programme, 1990-1992*.
- ¹⁸ *National Development Strategy and Programme, 1990-1992*.
- ¹⁹ *National Development Strategy and Programme, 1990-1992*.
- ²⁰ Conversations with EC officials.

Chapter 6

DEALING WITH DISINTEGRATION

The Somali State in Perspective

This study has attempted to trace in impressionistic outline the changing course of the Somali state over its thirty-year history. What began at independence in 1960 as multi-party parliamentarianism ended in revolutionary military rule nine years later. Both parliamentary and military governments tended toward arbitrary rule and control of economic resources for the benefit of the ruling elite. Within the elite of the First Republic, individuals struggled for identity and recognition on the basis of clan affiliation, while in the Second Republic, loyalty to Siyaad Barre's regime and its principles of national unity and scientific socialism was grounds for advancement and privilege.

Siyaad sought to fulfill the national dream by conquering Somali homelands in Western Ethiopia. When he failed, he switched international partners and devoted his energies to political maneuvers. In spite of the formation of a national party and the adoption of a new constitution, state institutions in the last decade of Siyaad's rule were marked by increasing militarization, a drive toward autocracy, and, as the economy faltered, a narrowing base of patronage channeled to Siyaad's clan and cohort. When Somalia finally signed a peace agreement with Ethiopia in April 1988, clan insurgencies moved from Ethiopia into Somali territory, thus initiating a protracted civil war that culminated in the total disintegration of the Somali state.

The burden of the study has been to determine how donors assisted the Somali state and how they dealt with the process of state disintegration. It has been a central thesis of this study that donors were in the business together, that they collaborated to an unusual extent in program and project planning and followed a common agenda outlined by the World Bank and the International Monetary Fund (IMF). Even though the study concentrates on U.S. relations with Somalia, this concluding chapter will start with a look at how other donors reacted to the final collapse of the Somali state.

Differing responses to disintegration. The World Bank and the IMF played a critical role in the last two years of Siyaad's regime by pushing forward the development agenda despite the disintegrating situation. Neither the Bank nor the Fund were as constrained by political considerations as bilateral donors; as financing institutions, both had much at stake in Somalia's return to the reform agenda.

On request from the Somali government in July 1988, just two months after the invasion of the North by the Somali National Movement (SNM), the IMF set forth a six-month shadow program of reform measures that the Somali authorities agreed to undertake in order to qualify for another stand-by agreement and loan. A year later, in a staff report, the IMF found that the government was implementing "virtually all the macroeconomic policy measures" but that "GDP at market prices declined." In other words, the operation was a success but the patient was failing. The report attributed the economic decline to shortages of spare parts, construction materials, and other raw materials. Not a word was mentioned about the civil war or the role it played in the economic downturn. In the face of Somalia's declining fortunes, the IMF pushed hard for donor support that would make a stand-by agreement possible and would re-launch a development assistance program in Somalia.¹

In the summer of 1988, the World Bank evaluated prospects for a second Agricultural Sector Adjustment Program (ASAP II), which it then elaborated, negotiated, and signed with the Somali government on May 2, 1989. World Bank analysts shared the IMF's sanguine view of Somalia's economic future. In preparing ASAP II, the Bank chose to give credence to Somali government assurances about policy change. The government had announced its intention to open marketing for hides and skins, frankincense, and veterinary drugs. The ASAP II recommendation claimed that it would be "followed up with the necessary actions" and also asserted that decontrol of banking, insurance, and transport was "established Government policy," though "enabling regulations" were required.

Without a legal framework for reform in place, but with government assurances in pocket, the World Bank was prepared to authorize a \$95 million adjustment package and release the first tranche of a \$33 million loan.² A year later, Bank officials were still anxious to dispense ASAP II funds. A study mission was sent to the Shabelli Valley under armed escort to ascertain whether conditions would permit release of the second tranche.

Among European bilateral donors, only Italy seemed to share the World Bank/IMF enthusiasm for continued assistance. The Italian reaction to the onset of civil war in 1988 was not clear cut. According to some Italian aid officials, the Italian government had been seeking to distance itself from Siyaad and had planned revisions in Italian assistance even before the fighting broke out. The lavish Italian aid program was curbed when a Christian Democrat coalition replaced the Socialists in Italy and after it was revealed in a Milan court trial that close relatives of then Foreign Minister Bettino Craxi and Somali profiteers were in collusion.³ However, during the post-1988 period, the Italian Foreign Ministry was also actively seeking to galvanize Western support for Siyaad's regime. The Italian executive director at the IMF sought to launch a "Friends of Somalia" forum in mid-1989.⁴ The Italian argument was that there was no political alternative to Siyaad and that, without Western assistance, the Somali state would crumble.

As the SNM stormed Hargeisa, British aid was at its height, thanks largely to help promised for the World Bank adjustment program. But that assistance came abruptly to a halt. The United Kingdom, which had a tenuous relationship with the Somali government, was quick to freeze economic assistance. Somalis of the Isaaq Clan living in Great Britain stirred up hostile parliamentary reactions to Siyaad's repression in the North; concerned parliamentarians included the usual left-wing supporters of humanitarian aid and Conservative members as well. The British government stopped disbursements on £5 million in program assistance and wrapped up technical assistance projects within a year. The focus of British aid from that time on was humanitarian assistance, some £3.3 million in 1989—largely to refugee programs and areas of the North experiencing influxes of refugees.⁵

Germany had a harder time disentangling itself from its commitments to the Somali state. Large programs supporting state institutions were still the core of its financial and technical assistance package. Through 1990, Germany was still funding elements of the Mogambo Rice Plantation and Central Rangelands Projects as well as providing significant commodity assistance in support of government programs. The German/Somali Mixed-Commission

meetings in 1988, however, provided Germany with an opportunity to readjust future programming from large projects to self-sustaining initiatives in small-holder agriculture, water wells, and rural roads, programs that depended on local initiative, not on the capacities of the Somali state. It may well have been the failure of investments in large projects and habitual Somali abuse of funds rather than the deteriorating political situation that impelled the turnaround in German assistance. The German Ministry of Interior maintained its police training program to the end of Siyaad's regime, thus provoking debate over Germany's assistance to Somalia within the German government and in the German press.⁹

Of the Western donors, France had the smallest portfolio but exerted large influence due to its balancing role on the Horn. However, the same balancing act that helped France leverage the Ethiopian peace agreement hamstrung French policy influence on the enlarging civil war. In the post-1988 period, the French continued a policy of "doing nothing" as they sought to bolster Djibouti and their position in the region. For example, the French were unwilling to use readily available resources just across the border in Djibouti to assist in the evacuation of Hargeisa, for fear of offending Somali sensitivities and bringing retribution on Djibouti. Although Djibouti was soon to be thronged with Isaaq refugees, France was reluctant to protest the repression that created those refugees. France had to withdraw from its development projects (the cement plant and date palm project were in Northern Somalia) but did little to counter Siyaad's scorched earth policy.

Arab funding, hesitant during the heyday of Western assistance, provided help to Somalia in times of trouble. Odd bedfellows, both Saudi Arabia and Libya provided money and arms to Siyaad. Saudi funds were no doubt also flowing to the SNM in the North. Abu Dhabi's funding of the Hawker-Hunters that bombed civilian sectors in the North and were reported to have strafed refugee columns was the most controversial Arab assistance program. Siyaad once again courted Libya and secured funding and some small arms, but reports of Libyan shipments of chemical weapons to Somalia could never be confirmed.

Although the bilateral reaction to civil war in Somali was more nuanced than the IMF/World Bank response, in general, donors, with some revisions in their programs, persevered, still hoping to bring the Somali state to economic reform and political reconciliation. U.S. reactions to the mounting insurgency in Somalia reflect donor ambivalence: a heightened political sensitivity but also a determination to stay the course in economic reform.

U.S. Policy toward a Disintegrating State

The U.S. program in Somalia included developmental goals, political concerns, and security interests. From 1980 to 1988, security interests were primary, though they contributed, as has been noted, to a dominant developmental mission. After the SNM invasion of Northern Somalia in 1988, the adjustments the United States made in the goals it sought in Somalia reflected the complications inherent in this bifurcated relationship.

Security relations. Following the 1980 military facilities agreement, the U.S. relationship with Somalia was based on Washington's commitment to assist in countering security threats to the Somali state. The United States initially viewed the SNM attack on Burao and Hargeisa in May 1988 as another cross-border incursion warranting continuation of U.S. military assistance. The U.S. embassy soon realized, however, that the SNM had come home to stay. Somalia was no longer involved in protecting its borders; it was engaged in civil conflict. Even though the security accord included standard language about promoting security and defending territorial integrity, the United States did not believe it appropriate to arm the Somali government against its own people. In June 1988, Ambassador Frank Crigler accordingly recommended freezing shipments of lethal military supplies to Somalia. He also made national reconciliation the prime U.S. objective in Somalia, overriding interests in access to military facilities or regional security; the latter, after all, depended on a stabilized political situation.

The State Department backed Crigler's recommendations but the Pentagon disagreed. The U.S. Central Command (CENTCOM) found Somalia a welcoming training ground for its forces and wanted to maintain a credible military-to-military relationship. This was difficult to do with a drastically reduced military assistance budget, especially if lethal materiel was denied to an army fighting for its very existence. For over a year, the Pentagon sought a change in policy. Even with the arms prohibition, CENTCOM managed the relationship with Somalia through joint-training exercises. The biennial "Bright Star" exercise was held as scheduled in August 1988; several small-scale exercises came later in the year. A joint-training exercise, "Operation Eagle Claw," was actually underway when street disturbances rocked Mogadishu in June 1989 and Siyaad's forces gunned down opposition leaders on Gezeira Beach. These grim events halted the exercises and forced cancellation of the larger "Bright Star" exercise scheduled for August 1989.

The Pentagon also kept an active interest in the facilities in Berbera even though these had not been used in 1987-1988 Persian Gulf re-flagging operations surrounding the Iran-Iraq war. The Defense Department had money budgeted for a pre-positioning depot at Berbera and wanted to use those funds rather than lose them. The Pentagon proposed obligating \$15 million on lease-build construction even before the facilities agreement came up for re-negotiation. The arguments were that prior leases would sweeten the pot for negotiations; that political instability did not affect U.S. presence in the facilities; and, that a depot at Berbera was important to U.S. regional security interests. When the Pentagon forwarded this plan in early 1990, the State Department refused to clear the proposal, blocking new construction or the initiation of facilities negotiations. In any case, Somalis were so busy with their own civil war that they never questioned continued U.S. use of the Berbera facilities, even after the lease agreement lapsed in September 1990.

Development relations. After the SNM invaded the North in May 1988, the obstacles in the way of achieving development goals should have been apparent. Siyaad would have to divert considerable state finances to purchase weapons and prosecute the war against the North. Vital trade in grains, livestock, and fish from the North was curtailed. The attention of Somali decision-makers was captured by growing insurgencies rather than development objectives. But A.I.D., tied to a reform agenda, pressed the dream of putting Somalia back on an IMF program. In late 1988, Somalia went into an IMF-designed shadow program of reform that it appeared to be pursuing credibly.⁷ A.I.D. officials in Somalia, closely involved behind the scenes in negotiations on a stand-by agreement, proposed using ESF funds blocked in fiscal year 1988 to clear Somalia's debt to the IMF. Both in program focus and in planned disbursements, A.I.D. strategy concentrated on pushing Somalia back into the IMF/World Bank camp.

The policy establishment in Washington had difficulty with the logic of this strategy. However laudable economic reform might be, was Somalia, in the middle of clan warfare, a place where reform could realistically be expected to take place? Could the United States justify a major disbursement of Economic Support Funds (ESF) to a country at war with itself and multiplying human rights abuses by the day? When the request to unfreeze ESF for Somalia started on its bureaucratic journey in November 1988, it did not get very far. Then in January 1989, the newly resurrected Prime Minister Muhammad Samantar came to Washington on a conciliatory mission; in March, Siyaad released a gaggle of political prisoners

and talked of a new constitution; in May, CENTCOM joined with the Somali military in friendly training exercises including Operation Eagle Claw. Meanwhile, Ambassador Crigler returned stateside to push the ESF proposal forward. The specter of hope had returned.

It did not take the press long to get wind of the ESF request working its way to Congress. An op-ed piece in the *New York Times* questioned how the Administration could possibly think of giving \$25 million to Siyaad's "corrupt" regime. In a letter to the *Times*, sent under the signature of the Assistant Secretary for Human Rights Richard Schifter, the U.S. government spelled out what had been implicit in U.S. funding strategy for some time—U.S. funds to Somalia were designed to dismantle state control under Siyaad's socialist regime, buttress private initiative, and encourage those in the Somali administration who wanted to build a new political order. Schifter noted that the \$25 million was intended to revive an IMF program so as to help those "who are suffering both from poverty and from human rights abuses."⁸

Broadly interpreted, Schifter's letter could be viewed as endorsing the transfer of power away from Siyaad to the people he was oppressing. That strategy never got tested, however. The June 1989 massacres in Mogadishu brought clan violence to the capital city. Somalia's unreported civil war was suddenly in the headlines. The U.S. administration dared not push the ESF request to Congress further; without this money Somalia could not pay its debt to the IMF. A new stand-by arrangement and reform program therefore became a dead letter. After the summer of 1989, U.S. development assistance in Mogadishu was a holding operation.

Political and human rights concerns. After troubles broke out in the North, the United States became increasingly vocal in airing its critical view of the human rights dimension of these events. While admitting that the insurgents had been armed and equipped outside of Somalia, U.S. officials insisted that the problem had become one of domestic strife and that the only solution was respect for human rights and national reconciliation. Recalling its own searing civil conflict the century before, the U.S. government evoked the Lincolnian tradition in urging Siyaad to "bind up the nation's wounds."⁹ The memorable words of Lincoln's Second Inaugural—"with malice towards none, with charity for all"—highlighted Ambassador Crigler's televised Fourth of July speech. In August 1988, marking the arrival of a field hospital, Crigler argued that "political reconciliation is the most desirable course."¹⁰ At the October 1988 dedication of Kismayo Port, he urged Siyaad towards "a peaceful solution and reconciliation among all Somalis."¹¹ Human rights had moved to the top of the U.S. agenda.

Congressional interest in Somalia mounted following the 1988 outbreak of civil war. Congress mandated two General Accounting Office (GAO) investigations, one into the refugee and relief situation in the North and the other into the overall record of U.S. assistance to Somalia.¹² Congressmen and senators from across the political spectrum and around the nation sent letters to the State Department voicing their concern with Somalia's human rights abuses. Thirty Congressmen signed a letter to the secretary of state asking for a change in U.S. policy toward Somalia. Facing a skeptical Congress, the new Bush Administration urged continuity in U.S. relations with Somalia, arguing that assistance should go forward so that the United States could play a credible role in promoting national reconciliation and bringing Somalia back to economic reform.

In a period of budget crisis, and with the Cold War diminishing as the Soviet Union retrenched around the world, these arguments did not gain much sympathy. The Carter and Reagan Administrations had overcome congressional reluctance to assist Somalia by asserting its importance to U.S. security interests in the Gulf region. Now, making national reconciliation its top objective in Somalia, the Administration undercut the foundation of its funding appeal to Congress. Since 1987, Congress had put holds on all ESF allocations for Somalia. In 1989, the Bush Administration asked Congress to remove those holds in order to save Somalia from self-destruction. But this last executive branch charge up Capitol Hill to get ESF released for Somalia was thwarted by the June 1989 riots and massacres in Mogadishu.

Cutting back. When Ambassador Crigler returned to Mogadishu after these massacres, he quickly realized that U.S. hopes to play a major role in reconciling Somali politicians or reforming Somalia's economy had been dashed on the bloody sands of Gezeira Beach. The United States would not be able to fund a reform program. Military assistance was already curtailed, and Bright Star exercises had to be cancelled. Crigler accordingly recommended radical reduction of the U.S. presence in order to better manage the crisis situation. In Washington, the affected bureaucracies countered that they needed to hold on to current staff to prepare for contingencies and to maintain programs until a better day emerged in Somalia. The Pentagon, for example, argued that the ambassador's policy concerns could be accommodated with "minor" changes in personnel and programs.

Previous efforts to tailor personnel levels to the descending U.S. assistance curve had failed. Agencies still balked, seeing the ambassador's proposals as threatening their ability to secure the

minimum funding that guaranteed survival of their programs in Somalia. But, recognizing the prospect of further violence in Mogadishu and despairing of a reprieve from Somalia's political troubles, the State Department approved a staged draw-down of U.S. personnel. Implementation of these plans for progressive withdrawal between October 1989 and June 1990, reduced the American presence in Somalia from about 200 U.S. officials and contractors to fewer than 100.

The State Department's public position was that this reduction reflected cutbacks in various programs, and that, consistent with its interests, the United States would still have a "significant presence" in Somalia. With a lean but experienced staff, the embassy, as its top priority, would seek the national reconciliation that was so clearly needed. But political trend lines were pointed toward disintegration rather than reconciliation. In spite of the announced reforms, economic production was plummeting. Given economic and political conditions in Somalia from the outbreak of civil war in May 1988 onward, could donor goals possibly have been achieved?

Why Donors Kept Trying

In retrospect, the vision of donors trying to keep programs going, pushing on the agenda of economic reform and political openness seems a surrealistic gloss on the unfolding drama of the Somali state's demise. One cannot help but wonder why the IMF, the World Bank, the United States, and other bilateral donors persisted in their attempts to turn the situation around. Why did donor staff remain, if in reduced ranks, after violence broke out in Mogadishu in June 1989, holding on until the last moment when a daring helicopter mission rescued them from descending anarchy?

Donors persisted because of habitual concerns about maintaining leverage with the host government. Without programs and funding, how could donors get a hearing from the Somali government? How, for example, could they push national reconciliation if they had no programs to entice Siyaad toward that objective. Promises of aid could also keep the flame of economic reform flickering. For the United States, aid was seen as necessary to ensure access to Somali facilities.

Donors may have persisted because they were taken in by the studied ambivalence of Siyaad's zigzag tactics. He would free political detainees in Mogadishu even as his troops were carrying out outrages in the North. He would offer consultation with the opposition and then scuttle meetings with them. At times intransigent, at times amenable, always conniving, Siyaad made just enough

moves toward reconciliation to bait donors' hopes—witness the release of prisoners in October 1988 and again in March 1989. But, his string had run out. The tactics of bluster and about-face that had kept Siyaad in power for twenty years could no longer hold the Somali state together.

Another reason that the donors kept trying was the apparent seriousness with which the Somali state seemed, at last, to be addressing economic reform. The financial bureaucracy's careful adherence to standards of an IMF shadow program begun in July 1988 gave hope that Somalia could get back into the good graces of the IMF. By this time though, "development" had become somewhat of a shell game in which donors were planning to clear each other's accounts. Bilateral donors were to forward funds to pay off the accumulated Somali debt to the IMF; in turn, the IMF would certify a stand-by program that would permit donors to restructure or forgive debts and restart aid flows. By 1989, some \$268 million in debt payments, including \$78 million of overdue balances to the IMF, were outstanding.¹³ But the operation was called off because of political unrest; the stand-by was never granted, and economic reform in Somalia became a vacant dream.

Western donors were worried about who might fill the political vacuum should their presence not be asserted in Somalia. True, Soviet influence was no longer a problem; the last years of the Cold War witnessed a growing parallelism in Western and Soviet perspectives on the Horn. Somali efforts at upgrading relations with Moscow were treated with equanimity in Washington; if the Soviets could do something to help, so much the better. However, possible involvement by Libya or other radical Arab states was seen as a danger. SNM claims that Siyaad had received chemical weapons from Libya in August 1989 raised a fire storm on Capitol Hill and in the same quarters that were generally critical of U.S. assistance. U.S. presence in Somalia was said to be required now to forestall Libyan intrusion.

There was also the powerful force of bureaucratic inertia in donors' dealings with the unraveling Somalia. It was business as usual in development agencies, where significant numbers of people found daily purpose and monthly wages from carrying forward established assistance programs. As evidence that the Somali state was crumbling became irrefutable in late 1990, bureaucrats justified continuing their programs by maintaining that there was a need to establish good credentials with likely successor regimes. Money to support a restructuring program was required in order to hand over a viable economy to whatever group might replace Siyaad. Military assistance should similarly still flow to keep a military-to-military

relationship through the transition period until a new political order could be established in Mogadishu. What donors did not foresee was that there would not be a successor regime, that the Somali state would disintegrate into anarchy.

Dealing with Disintegration: Some Lessons

What homilies does the history of donor relations with the disintegrating Somali state offer? Since Somalia is not unique, there may be lessons in its developmental experience that could apply elsewhere in the Third World where countries are in crisis.

Narrow analytical focus. While issues of governance held high rank on the development agenda of the 1990s, the principal donor focus during the 1980s was on economic reform. Donors had a rather singular indicator by which they judged the state: was it on the economic reform track? Conformity to IMF standards was taken as a sign of health in the body politic. To evaluate Somalia's health, donors primarily consulted with the Ministries of Foreign Affairs, of Finance, or of National Planning, or with technical ministries administering aid programs, or, *in extremis*, with Siyaad himself. Donors misjudged Somali policy intentions in the summer of 1987 because they were listening to ministers who elegantly spoke of economic reform. Had they broadened their contacts, donors might have found party officials willing to talk about the brewing political revolt against structural adjustment.¹⁴ Major aspects of economic and political life, not only in the provinces but also in the capital city, were simply not on the donors' analytical radar scope. In focusing on economic reform, donors missed the political forces that were undercutting reform and the larger story of disintegrating state power in the provinces. The lesson to be learned here is that to be effective, development policy should be based on a multi-dimensional analysis of social and political, as well as economic, factors influencing both bureaucratic choice in the capital city and popular will in the regions where the state is presumably carrying out economic change.

Optimism vs realism. There was a curious blend of hard-core realism and policy optimism that infused analysis of the deteriorating situation in Somalia. If donors had been politically oblivious before war broke out in the North, they became deeply cognizant of political processes afterwards, interacting on the ground with political players through heroic relief efforts, human rights investigations, close contact with opposition groups, and negotiations with

power brokers. Analysts knew what was happening in its stark reality and, following the outbreak of civil war in 1988, had learned to rattle off names of clan groups or dissident military factions with a facility that made headquarters dizzy.

Yet, despite the flow of dismal facts, donors reinforced each other's belief that it was worth pursuing a solution to the Somali problem. Long after the United States might have given up in Somalia, Italy, the World Bank, and the IMF were urging greater generosity to save Siyaad's regime or to keep structural adjustment on track. Desperate for a turnaround, donors gave weight to any hopeful sign and kept chasing the specter of peace. In a recent analysis of U.S. Middle East diplomacy, Kaplan suggests that "Foreign Service Officers...become hostage to a professional idealism that blinds them to the obvious."¹⁵ It is not, however, that Foreign Service officers are naive idealists, but that U.S. mission planning is structured in a problem-solving, "goals and objectives" approach. (The World Bank and U.N. agencies have also adopted this management mechanism.) U.S. management planning requires establishing goals and conceptually assessing the means to achieve them. Such goals reach beyond current realities to some future hopeful condition. But unachievable goals will swamp long-range analysis and attendant mission planning. National reconciliation and the survival of the Somali state presented challenges that the best management by goals and objectives could not encompass. The lesson: there are some problems that clear strategy, good will, and adequate means cannot resolve. However unpalatable to problem-solving development functionaries, there may be times when quitting is the best policy.

Dilemmas of development. In Somalia, as elsewhere in the Third World, the United States used the benefits of a security assistance relationship to channel ESF to specific developmental purposes. This gave great weight to the development effort, but brought real problems as well. With major funding in hand, the United States sought to coordinate aid strategies with other donors and participate in large multi-donor schemes that combined cooperative efforts with heavy financing. In Somalia, coordination worked at the policy and project-definition level. However, Somalia was simply not strong enough institutionally to carry out its role in otherwise commendable major projects. Donors contributed to the problem by staging implementation poorly. Once a project began to fall apart its very complexity made it difficult to repair. A World Bank survey found that Somalia's twelve largest projects accounted for 83 percent of the slippage in project implementation;

the implementation rate for smaller projects was much higher.¹⁶ The lesson: large cooperative endeavors can be too cumbersome for fragile development environments. In countries like Somalia, with a limited infrastructure and a weak institutional base, successful development may also require experimental projects of modest scale that can be quickly adjusted to emerging realities.

Commodity assistance provided another dilemma. Somalia was so poor and needed so much that providing food and other commodities seemed the logical way to revive the economy. But these commodity flows generated tremendous inflationary pressures. Counterpart currencies, generated by recycling notes through the Central Bank or extending unsecured credit from the Commercial and Savings Bank, had no relation to the value of production or trade. Manipulating counterpart currencies, along with hedging on foreign exchange transactions, became the most accessible avenues of corruption for the Somali elite. The lesson: Desperately poor economies cannot be jump-started. It takes time and sustained, but measured, efforts in traditional economies to turn them toward market production.

Ambiguities of security assistance. The United States was the only donor in the 1980s to claim security interests as basic to its relationship with Somalia. However, the nature of U.S. security interests in the Horn of Africa evolved over the decade. Competition with the Soviets for regional influence turned to collaboration on regional issues. By the end of the decade, Soviet residual presence in Ethiopia and Yemen no longer threatened sea lanes of communication. The United States still considered the facilities at Berbera and Mogadishu useful in 1990, a decade after the security agreement with Somalia was signed, although the ports and airports were not critical to U.S. logistic support for the Persian Gulf. Moreover, in determining how the United States would support a security arrangement with Somalia, Washington had to distinguish between its policy of respecting Ethiopian sovereignty over the Ogaden (or inversely denying Somalia's territorial ambitions) and its determination to assist Somalia's defense against destabilizing threats from Ethiopia. The solution was found in providing "quite modest levels geared to the defense of internationally recognized Somali territory."¹⁷ This approach worked as long as threats to Somalia's security came from across the border. But when peace was established with Ethiopia, and the insurgency threat to Somalia's security moved from Ethiopia into Northern Somalia, the security assistance relationship broke down. The United States would not help the Somali state establish its security in conditions of civil war.

The problem was partly one of definition. U.S. policy pronouncements and planning documents mixed notions of strategy, security, and politics. For example, in a speech entitled "Challenge to Regional Security in Africa," Assistant Secretary of State Chester Crocker used the words "strategic significance," "security concern," or "important political and security interests" almost interchangeably.¹⁸ By classic categorization, strategic interests are those for which a nation is willing to employ power and deploy armed force. A state may have concerns about security (i.e., stable relationships of power) in a region or may be attentive to the political makeup of particular governments of that region without that concern or attention entailing "strategic interests." Mixing these notions offered the impression that regional stability on the Horn was of strategic value to the United States, something for which it was willing to fight.¹⁹ In the waning days of the Cold War, however, the United States was not willing to engage its military forces for the political future of the Siyaad regime, for the security of the Somali state, or for stability on the Horn. The lesson: U.S. policy requires a clear delimitation of strategic interests and security concerns. Entering a security relationship where one cannot respond to a partner's security preoccupations only leads to policy quagmires.

Epilogue

It is a curiosity of history that the U.S. military force that drew foreign missions and their assistance staff away from the violence of Somalia in January 1991 should come back in December 1992 to feed the hungry and restore hope to a shattered nation. The irony is that the nation that froze military assistance and put a "hold" on Economic Support Funds after the outbreak of civil war in 1988 should mount a massive intervention to save Somalia from the ravages of that civil war over four years later. Will this historic commitment of U.S. combat forces to action in sub-Saharan Africa be the instrument that can restore peace and create conditions of security? Will the Somalis, under the umbrella of U.S. force, seek national reconciliation and reconstruct the functional institutions of state? Will hope this time be more than a specter? These are questions for time and another study to answer.

The perspective of the tale recounted above, however, is a cautionary one, recounting, as it does, good intentions and unintended consequences, massive assistance and misdirected energies.

It highlights the great divide between what donors sought to accomplish and what the Somali political elite wanted for themselves, between the self-serving ambitions of an autocratic regime and the free market dreams of donor states.

From our armchair vantage point, we are too much at ease to appreciate the moral of this tragic tale. In post-Cold War perspective, it is facile to observe that the United States, having stressed the strategic importance of Somalia, was not as sensitive to the political and social impediments to Somalia's development as it should have been. It is easy to criticize the near-sightedness of donors' singular focus on economic reform, but that was the common objective to which they committed themselves at Paris roundtables. While the tale shows that coordination had its hazards, including monumental (but coordinated) failure, it is hard to fault donors for too much consultation and coordination—the *summum bonum* of development dogma.

Had donors not been so determined to do good (or at least to disburse assistance allocations), they might have understood that their agenda did not coincide with that of the Somali state under Mohammed Siyaad Barre. The central aim of Siyaad's government was to retain power through the crafty exercise of central authority, not to rationalize the economy or to reconcile social divisions. Although they were increasingly dissatisfied with the regime's performance during the 1980s, donors found no alternative to dealing with the Somali state, even a disintegrating one. That is why they persisted against growing odds.

Can a better world emerge from the conditions of statelessness and anarchy in Somalia? It is hard to imagine, but imagination and creative energy are precisely what is required, along with an understanding that heavy assistance and lofty development goals will not suffice. Political craft is also required. Part of that craft is to make the Somalis responsible for their own economic future and accountable for their political conduct. The other part is skill in recognizing when best-intended schemes are not working and grace in trying something else. The history of donor dealings with the Somali state enjoins flexibility and modesty.

Notes for Chapter Six

¹ International Monetary Fund, *Somalia: Staff Report for the 1989 Article IV Consultation, the First Review of Economic and Financial Program for 1989*, May 3, 1989, 3.

² World Bank, *Report and Recommendation on a Proposed IDA Credit to the Somali Democratic Republic in Support of a Second Agricultural Sector Adjustment Program*, May 2, 1989, 36.

³ Wolfgang Ichtner, "The Italian Connection: How Rome Helped Ruin Somalia" *The Washington Post*, January 24, 1993, C3.

⁴ International Monetary Fund, *Memorandum from Renato Filosa to Executive Directors: Somalia - Formation of a Support Group*, June 22, 1989, photocopied.

⁵ House of Commons, Foreign Affairs Committee, "Recent Developments in the Horn of Africa," 19 February 1992, viii.

⁶ Conversations with German development officials.

⁷ International Monetary Fund, *Recent Economic Developments*, 1989, 8.

⁸ "Letter from Assistant Secretary Schifter to the New York Times," August 18, 1989.

⁹ This message was carried to Siyaad in meetings with Ambassador Crigler and in a visit by Assistant Secretary Crocker in July 1988.

¹⁰ U.S. Embassy-Somalia, *Remarks by Ambassador Crigler*, August 1988, photocopied.

¹¹ U.S. Embassy-Somalia, *Remarks by Ambassador Crigler*, October 1988, photocopied.

¹² U.S. General Accounting Office, *Somalia, US Strategic Interests and Assistance*, February 16, 1990, and, *Somalia, Observations Regarding the Northern Conflict and Resulting Conditions*, May 4, 1989.

¹³ *Recent Economic Developments*, 8.

¹⁴ The problem with indicators is that they convey "a stylized, flattened picture of processes...that were, in fact, multi-dimensional" (Aaron Friedberg, *The Weary Titan* [Princeton: Princeton University Press, 1988], 285). Those who use indicators in policy formulation might heed Aron's advice to select not just criteria which reflect the efficiency of market mechanisms over central planning but to evaluate using "multiple criteria:

efficacy of institutions, liberty of persons, equality of distribution and, perhaps above all, the kind of man who is creating the regime" (Raymond Aron, *Memoires* [Paris: Julliard, 1983], 126).

¹⁵ Kaplan suggests that Foreign Service Officers can become obsessed with the diplomatic process to the point that they cannot "accept that sometimes it is better for a process to collapse than for it to continue" (Robert D. Kaplan, "Tales from the Bazaar," *The Atlantic*, 270, 2 [August 1992], 59). The determination to keep trying, however, stems not from idealism, as Kaplan would have us believe, but from devotion to duty. It is a matter of policy objectives not high-mindedness.

¹⁶ World Bank, *Somalia: Crisis in Public Expenditure Management*, Vol. 1, March 8, 1991, 11.

¹⁷ U.S. Department of State, "Address by Chester A. Crocker, Assistant Secretary for African Affairs before the Baltimore Council on Foreign Relations," Baltimore, Maryland, October 28, 1982, *Current Policy*, No. 431, 4.

¹⁸ Crocker, 3-4.

¹⁹ The suggestion here is that closer attention to meaning is important in establishing sound policy. Confusion prevails even as to what policy pronouncements mean by security: Is it U.S. security or African security? As a recent collection of essays records, Third World states view security more as the prospect for short-term survival of a regime than as countering territorial threats or perpetuating the state within the international system. This view constitutes a transvaluation of the accepted notions of state security and confuses the purposes of a "security assistance relationship" (*The Insecurity Dilemma: National Security of Third World States*, ed., Brian L. Job [Boulder: Lynne Rienner Publishers, 1992] 12-14). In relating national strategy to any supposed security concern, it is critical to remember that strategy is "the direction of power so that it serves policy purposes" (Colin S. Gray, *War, Peace, and Victory: Strategy and Statecraft for the Next Century* [New York: Simon and Schuster, 1990] 9, 29). As Clausewitz taught, strategic thinking "must include in this consideration the instrument of this real activity—the armed force" (Carl von Clausewitz, *On War*, ed., Anatol Rapaport [London: Penguin Books, 1968], Bk. III, Ch. 1, 241). The fact is that the United States has never held an objective in Africa for which U.S. policymakers were willing to undertake "employment of battle as a means toward the attainment of the object" (Clausewitz, 241).

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APPENDIX I: Persons Consulted in Preparing This Study

In Germany

Mr. Rudolph Decker, Senator for Bad-Wutenberg and Engineering Consultant, Stuttgart, Germany.

Dr. Rupert Neudeck, Founder and Director, Cap Anamur Society, Cologne, Germany.

Mr. Bernd Blank, Chief, United Nations Division, Federal Ministry for Cooperation, Bonn, Germany.

Dr. Thomas Labahn, Project Officer, East Africa Division, GTZ (German Technical Assistance), Eschborn, Germany.

Dr. Hanns-Peter Neuhoff, Deputy Director—Europe and Near East, KFW (Bank for Reconstruction), Frankfurt, Germany.

Mr. Klaus Weyand, Division Chief—North Africa, KFW.

Mr. Ulrich Jahn, Desk Officer for Somalia, KFW.

In France

Mr. Jean-Maurice Ripert, Counsellor to the Minister of Health and Humanitarian Action, Paris, France.

Ambassador Fernand Wibaux, President—Association for the Development of Africa.

In Great Britain

Mr. Tom Harris, Director, East Africa, Foreign and Commonwealth Office, London, England.

Ms. Sally Healy, Research and Analysis Division, Foreign and Commonwealth Office.

Ambassador Jeremy Varcoe, British Ambassador to Somalia, 1987-1989.

In Italy

Prof. Bianca Tedeschini Lalli, University of Rome (a founder of the University of Somalia).

Dr. Pierluigi Malessani, Director, International Technical Cooperation, Istituto per la Ricostruzioni Industriale (former rector of Somali University).

Prof. Carlo Guelfi, Director, Istituto per le relazioni tra Italia e i paesi dell'Africa, America Latina e Medio Oriente (IPALMO) (former technical assistant in Somali).

Mr. Massimo Micarelli, IPALMO.

Mr. Pietro Petruchi, journalist (former advisor to President Siyaad Barre).

Mr. Pasquale Davino, Director for the Horn of Africa Bureau for Political Affairs, Ministry of Foreign Affairs, Rome.

Counselor Corrado Milesi Ferretti, Director for Central Africa, Bureau for Cooperation and Development, Ministry of Foreign Affairs, Rome.

At the European Community

Mr. Arne Pilegaard, Director, Horn of Africa Programs, European Community.

In the United States

Ambassador James Bishop, U.S. Ambassador to Somalia, 1990-January 1991.

Mr. Louis Cohen, Director, USAID - Somalia, 1983-1987.

Ambassador Frank Crigler, U.S. Ambassador to Somalia,
1987-1990.

Ambassador Robert Oakley, U.S. Ambassador to Somalia,
1982-1985.

Ambassador Donald Petterson, U.S. Ambassador to Somalia,
1978-1982.

Ms. Lois Richards, Director, USAID - Somalia, 1987-1991.

From Somalia

Numerous Somalis have shared their insights, fears, and hopes regarding their country. Several have critically reviewed part or all of this text. In appreciation of their candor and in anticipation of their future role in Somali politics, they will not be named here.

APPENDIX II:

Representative Multi-Donor Projects

During the 80's, donor focus in Somalia shifted from technical assistance on specific projects to program assistance for policy reform within large sector programs. Nonetheless, the funds granted for sectoral restructuring became "projectized" as local currency equivalents were pumped into developmental schemes within the framework of previously established major projects. Many of these projects were designed and initiated by the World Bank, but involved several donors in funding and implementation. The synopsis below gives a profile of various project objectives and achievements during the 1980s.

Central Rangelands Development Project

The Central Rangelands Development Project's aim was to improve the level of subsistence for 400,000 pastoralists over 150,000 sq. miles in the Hiran area. The project sought to develop Somalia's rangelands scarred by drought and overgrazing, to provide veterinary care for cattle and to establish elemental health care for pastoral Somalis. Initiated in 1979, the project was to fund bore holes and stockwater ponds along with construction of 1000 km. in access tracks to range reserves. It offered special training programs and veterinary assistance designed to improve livestock productivity and gain the confidence and cooperation of herders. By attempting to stabilize rangeland use and livestock output and introducing agroforestry to the area, the project tried to promote concentration of pastoral communities.

To this end, the project emphasized strengthening the National Range Agency's ability to implement range development. This objective required both in service and post-graduate training programs and provision of basic infrastructure in offices, workshops, staff housing, transport and heavy equipment as well as the construction of a headquarters office building.

The Central Rangelands Project drew funding from the World Bank, the United States, China, Germany and the International Fund for Agricultural Development (IFAD). In the project's last iteration, the World Food Program launched a food-for-work program for 15,000 laborers and community volunteers. The project absorbed some \$70 million in hard currency grants and \$33 million equivalent in local currency over the 10 years of its active life. Its major accomplishments seem to have been in enhancement of veterinary services; it failed to organize range management or valorize the National Range Agency.

Bay Region Agricultural Development Project

An integrated rural development project in the interriverine area, the Bay Region project aimed to increase crop and livestock production, improve potable water supplies, upgrade roads, intensify farming systems, and build institutions capable of carrying on the development of rainfed agriculture in the region. Once again, drilling bore holes, impounding ground water and rehabilitating roads were primary tasks. Intensification of agriculture through crop research, preventative and curative veterinary services, integration of farm and range activities, and distribution of improved tools and seeds were means toward greater agriculture output. The project's major institutional target was the National Monitoring and Evaluation Facility in which Somali staff would be trained and equipped to oversee and evaluate agricultural development projects in the region and eventually expand their reach throughout the country.

The United States and the World Bank were since 1980 the principal funders of this project which also benefited from loans from the African Development Fund and technical assistance in water development from Germany and Italy. Of \$25 million in project investments, only \$3 million was contributed by the Somali government in local currency costs. While bore hole, road work and other construction targets were met, crop research was bedeviled by procurement lags and bad weather and its positive results wiped out by civil war. The National Monitoring and Evaluation Facility never became functional.

Fisheries Exploration Project

Making the most of Somalia's extensive coastline and its putative riches in the maritime economic zone had been a development goal since the 60's. The Fisheries Exploration Project was designed in the early 1980s to determine the feasibility and financial viability of offshore fishing, test assumptions regarding artisanal fisheries, and develop an institutional framework for long-term public and private sector investment in fishing along the Northeast Coast.

Originally financed by the Arab Fund, this project ran into difficulty when Somalia defaulted on interest payments from previous loans; the Fund refused to advance more money. The World Bank picked up a lion's share of the \$20 million project cost. With technical assistance from several countries, the project established onshore receiving stations at small ports and cold-storage at Bossaso and Berbera; it reached a production of 300 tons in 1988. A state fishing company Nefish had been established and the World Bank was searching for additional funding partners when civil war closed down the project.

Other donor projects complemented this effort to expand fisheries: the Northwest fisheries with UNDP; the Mogadishu-Merca inshore fishing with EEC, Japan and UNDP; lower Juba inshore fisheries with Germany and private capital; and, artisanal fisheries at Brava funded by Italy which also supported industrial fishing out of Mogadishu and Kismayo through the Somali High Seas Fishing Company.

Northwest Region Agricultural Development Project

The largest development scheme in an area which usually suffered from a paucity of development attention, this project sought to increase small farmer incomes from rain-fed farming, fruit and vegetable production and to strengthen institutional capacity to implement and supervise projects and enhance services to farmers.

A major element in this project was construction of soil and water conservation works such as bunding, terracing and contour hedging. It also planned development of 50 new irrigated farms, development of 100 potable water sources and 50 livestock watering points within the bunded farming area. The project supplied equipment for farming and irrigation, carried on adaptive research and provided advisory services on more efficient production techniques. In addition to extension services, the project provided training for technical staff within the Production Management Unit which was to monitor and evaluate project implementation.

Initiated in 1979, the project entered a second phase in 1984. Some 47,000 people in the rain-fed area and 3000 people on irrigated farms benefited from its inputs. Although scheduled for a third phase in 1988, project activities were interrupted when civil war broke out in the Northwest. Over the years of its implementation, the project was supported by the World Bank, EEC and IFAD. The United States, Great Britain and China funded collateral infrastructure projects, often in conjunction with refugee relief and rehabilitation efforts.

Total project cost was \$23 million of which the Bank's share was \$10.6. In terms of achieving construction and extension goals and boosting agriculture production, this may have been one of the more successful of large multi-donor projects.

Power Rehabilitation and Energy Project

Realization that growth in production from industry and small enterprise depended on stable energy supplies, the World Bank initiated the Power Rehabilitation and Energy Project in 1987. The project sought to improve efficiency and reliability of electric power in Somalia's main economic area, Mogadishu. The project activities included rehabilitation, replacement and extension of generating transmission and distribution facilities; advisory services and training to the state electric company; and technical assistance to strengthen energy planning in the Ministry of National Planning. To keep focus on the urban and rural poor, the project also included an element of support for the National Woodstove Project.

The United Kingdom, the African Development Fund and the European Investment Bank joined with the World Bank in this project planned for a \$93 million investment. Only 27% of the project was completed by 1989 when unrest in Mogadishu upset the investment schedule.

Electrification in regional urban centers was much further along where Denmark, Finland and Great Britain had completed nearly 50% of projected \$30 million regional electrification efforts. It is ironic that this largest and last major multi-donor development project in Somalia should be a major casualty of the civil war; imported electrification equipment was quickly destroyed or salvaged and sold abroad for hard currency.

Agricultural Extension Project

Originally implemented in 1979, the Agricultural Extension and Training Project went into a second phase in 1987. With a view to reorganizing and strengthening the national extension service across the eight regions of southern Somalia and to increase production and income for 158,000 families, the project gave vehicles and staff housing to the national extension service, built regional headquarters, provided technical assistance and underwrote operating costs.

Overseas and in-service training prepared Somalis for agricultural field service; training centers were constructed and modernized. Drylands research in improved crop varieties and techniques adapted to local farming systems was supported through financing of the research station at Bonka and the establishment of a research directorate.

The United States, the EEC and the African Development Fund were key partners with the World Bank in this project which spent about \$55 million in its first phase and was to match that amount in its second phase.

While Somalia boasted some increase in crop production in the early 80's, it is difficult to tell whether this was due to better farm gate prices, improved weather, or inputs and education provided through extension services. Certainly the heavy investments in infrastructure and continuing operating costs of the national extension service outweighed any marginal return on production which extension services might have generated. Moreover, drylands research failed to produce any significant breakthroughs in crop culture within the harsh parameters of Somalia's soil and climate.

Sources: Somali Democratic Republic, *National Development Strategy and Programme* (Mogadishu: Ministry of National Planning) September 1985, March 1987 and April 1990.

END

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